

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Friday October 16 1987

Uruguay referendum could upset a shaky democracy, Page 4

No. 30,364

D 8523 A

World News Business Summary

## Indian move Merck on Jaffna raises earnings by 37%

At least 6,000 Indian troops including Gurkhas backed by armoured vehicles were poised to march on the Tamil rebels' base on Tamil rebels massacred for the battle in the Jaffna peninsula.

An Indian official said 70 Indian soldiers had been killed, 17 were missing and more than 280 wounded in six days of fighting in the island's north and east. He said about 380 rebels had been killed.

All India Radio said Indian forces had pushed to within one kilometre of Jaffna municipal limits. Indian forces were fighting "house-to-house" using artillery and mortar fire but could not launch a final assault because of heavy resistance, land mines and concern over civilian casualties, the report said.

### Governor resigns

Ratu Sir Penia Ganilau, Governor-General of Fiji, tendered his resignation to the Queen Elizabeth II owing to the uncertainty of the political and constitutional situation in Fiji. The Queen accepted it "with regret". Page 24

### Burkina coup

A "popular front" seized power in Burkina Faso, according to an announcement on the West African country's official radio. The broadcast was heard in Ivory Coast, and was preceded by several hours of martial music.

### EC warned

The EC Commission told European states they would have to co-operate to escape from a trap of sluggish growth and high unemployment and warned that they could not continue to depend on the US to buy European goods. Page 33

### Bonnie Unesco threat

The battle over the succession at Unesco heated up as West Germany threatened to quit the body if Mr Andrus Mackay M'Clow, Director-General, was re-elected. Moscow officials declined to confirm Soviet support for M'Clow's candidacy.

### Tibetan protest

More than 1,000 Tibetan refugees staged a protest against what they called "China's repressive policy and violation of human rights".

### Irish kidnap

A Dublin dentist, Mr John O'Grady, son-in-law of one of the richest men in Ireland, was kidnapped by four masked men. The gang were believed to be paid a £230,000 (\$450,000) ransom.

### Five-year deal

Belgium and East Germany signed a five-year economic cooperation pact on the last day of a three-day official visit to Brussels by Erich Honecker, the East German leader.

### Son sacked

The Romanian Communist Youth Movement replaced Mr Nico Ceausescu as its head, prompting speculation about the future of his political career. Page 2

### Palestinian fruit

Palestinian fruit may go on sale in Europe next year following a deal between Israel and the Palestinian Authority in occupied territories to export to the EC under their own labels. Page 5

### Debts cleared

The Soviet Union said it had paid off its arrears in UN contributions and was ready to pay a further \$197m for peace-keeping action dating back to the Congo in the 1960s.

### Sanctions support

Two thirds of black South Africans favoured sanctions as a means of bringing change to their country according to a recent opinion survey but 60 per cent did not want them if jobs were at risk. Page 5

Sweden	Swk.22	Iceland	Isd.100	Portugal	Esc.100
Belgium	BF.95	Ireland	Irld.100	S. Africa	Rsd.100
Canada	CD.10	Italy	Ital.100	Spain	Ps.125
Cyprus	CD.75	Jordan	Jord.100	Sri Lanka	Rsd.100
Denmark	DK.22	Lithuania	Lit.100	Sweden	Sk.100
Egypt	EG.22	Latvia	Lat.100	Tunisia	Dir.100
Finland	Fst.75	Lebanon	Leb.100	UAE	Dir.100
France	Fr.7.50	Malta	Mal.100	USA	\$1.00
Germany	DM.2.20	Mexico	Ps.100		
Greece	Dr.10	Morocco	Dir.100		
Hungary	Huf.10	Netherlands	Fl.100		
India	Rs.10	Norway	Nkr.100		

No. 30,364

## Peru uses tanks to enforce new bank law

BY BARBARA DURR IN LIMA

THE PERUVIAN Government, using tanks and teargas, has forcibly seized control of two private banks and a finance company in an attempt to enforce a new law nationalising 10 private banks and 23 credit and insurance houses.

Riot police, some firing teargas canisters, dispersed shareholders of the Banco de Credito, Peru's largest private commercial bank, as Economic Ministry administrators moved in, witnessed said.

President Alan Garcia proposed nationalising the private financial sector in July to give the Government control of credit and to reduce the dominance

of the country's four largest private financial groups. The new law was passed by Congress last weekend and became effective on Monday.

Mr Francisco Pardo, president of the Association of Banks which bitterly opposed the law, said: "Yesterday, Peru stepped being democratic. This is a serious violation of constitutional rights."

A government communiqué confirmed that administrators had taken charge of the Banco de Credito, its associated finance house, Financiera de Credito, and the smaller Banco Wiese.

The administrative committee named by the Ministry of Economy and Finance to execute the takeover was reported to have ordered the action.

Police entered the Banco Wiese by breaking through a door while firing teargas canisters and smoke bombs to disperse reporters and bystanders.

A large police contingent also

was the takeover of the suburban offices of the Financiera de Credito, a finance company associated with Banco de Credito.

Lima's city centre, where the two banks are located, was cordoned off by police and the banks were under heavy police guard.

The Government also shut down the stock exchange yesterday for two days to prevent transactions in shares of the companies affected by the nationalisation programme by force.



Bank employees in Lima flee police teargas bombs as the government imposes its nationalisation programme by force.

## Chemical Bank raises prime rate as dollar, bonds, equities fall

BY JANET BUSH IN LONDON AND RODERICK ORAM IN NEW YORK

CHEMICAL BANK yesterday raised its prime rate to 9.75 per cent from 9.25 per cent as bond markets worldwide continued to suffer heavy losses amid fears that the intransigent US trade deficit will force the dollar lower and prompt higher official interest rates.

Other major US banks were expected to follow Chemical's lead. US banks last raised their prime rates by a half percentage point from 8.75 per cent on October 7.

News of the prime rate rise hit world securities markets just as they had begun to regain some of their composure after the sharp declines that followed Wednesday's news of a \$15.6 billion US trade deficit in August.

Further steep falls on Wall Street in both the Treasury bond and equity markets yesterday had prompted a flurry of reassuring statements from the White House and US Federal Reserve officials which had helped markets claw back some ground.

The White House issued a statement saying US interest rates were not justified by current inflation prospects and would fall back to 8.75 per cent. Fed Vice Chairman John Poehl, said the bond market's reaction to fears of higher inflation might have been exaggerated.

The Fed's intervention in the US money market yesterday had helped markets. Its addition of liquidity through overnight system repurchases had been expected, but the fact that the Fed moved an hour earlier than usual was taken as a sign that the Fed did not want market interest rates to rise any further.

However, bond and equity markets immediately started to fall again and market interest rates to rise after Chemical's move, which completely undermined the impact of the Fed's action and optimistic statements from US officials.

Chemical's move fuelled speculation that the Fed will eventually have to give in to market pressure for higher interest rates and raise its discount rate.

The positive tone emerging from the US authorities was in sharp contrast to remarks yesterday by Mr Otto Poehl, President of the Bundesbank, who said the bond market's reaction to fears of higher inflation might have been exaggerated.

Further underlining market fears about higher interest rates, he said the Bundesbank could not be excluded from the worldwide trend towards higher interest rates if it wanted to keep a grip on the domestic money supply.

Washington: Mr James Baker, the US Treasury Secretary, lashed out at recent policy decisions which have raised West German interest rates, saying that the US did not think these moves were in accordance with the spirit of last month's economic policy consultation between the seven leading industrial countries.

Emerging from a meeting with President Ronald Reagan, Mr Baker said: "The rise in rates is not of course a trick which we favour and we do not think that

Continued on Page 24

Washington: Mr James Baker, the US Treasury Secretary, lashed out at recent policy decisions which have raised West German interest rates, saying that the US did not think these moves were in accordance with the spirit of last month's economic policy consultation between the seven leading industrial countries.

Mr Poehl's comments on the likely effects of the withholding tax, which is expected to raise just over DM 40bn, were made in a speech in Frankfurt about the need to look for foreign financial markets.

They were rejected, however, by the Finance Ministry in Bonn, which said that Mr Gerhard Stoltenberg, the Finance Minister, did not share the doubts expressed by Mr Poehl. It said eight out of 12 EC members had much higher withholding taxes.

Mr Poehl said he feared that the new tax would have the effect of raising interest rates in Germany. Yields on the bond market had already gone up, he added, although perhaps to an exaggerated extent.

For many state borrowings in Germany, the new tax reforms designed to help finance the EC's budget of overall tax cuts planned for 1990.

Mr Poehl's critical comments

Because foreign D-Mark Eurobonds and loans in other currencies would become less attractive to investors, Mr Poehl said there was a danger that the market would again split, so that the state would find it more costly to raise money than foreign companies.

This was the case, he recalled, before the dropping a few years ago of the coupon tax which foreigners had to pay on interest from German domestic bonds.

"I only hope that we do not see a repeat of the curious situation where German public bodies use the D-Mark foreign loan market to outwit foreign financing companies," he said.

He added that the introduction of the German tax gave even more urgency to the need to harmonise capital market-related taxes, at least within the EC. This would also be in the interests of the single European market being aimed at for 1992.

Continued on Page 24

## Soviets to soften stand on law for dissidents

BY PATRICK COCKFIELD IN MOSCOW

THE Soviet Union plans to change or abolish two of the principal laws used against dissidents, Mr Vadim Zagladin, a senior Soviet official, said yesterday.

The two articles, 70 and 190 in the Soviet criminal code, cover anti-Soviet agitation and propaganda and defaming the state. They have been used frequently to imprison people holding dissident views.

Yesterday's statements taken together with an amnesty announced on June 18 and the issuing of visas in recent days to a number of well-known Jewish "refuseniks", indicate that the Kremlin is now moving fast to try to defuse the human rights issue as a factor in its international relations.

Mr Zagladin, deputy head of the Communist Party's international department, speaking on an early-morning live television discussion programme with US senators and congressmen, said the articles would be changed. "We are discussing whether one of them is even needed at all," he said.

Mr Zagladin said a commission of the Supreme Soviet was likely seriously to revise article 70 of the criminal code under which people have received up to 10 years in prison or labour to fight anti-Soviet agitation and propaganda.

Speaking of article 190, under which sentences of up to three years for defaming the state have been imposed, Mr Zagladin said: "We are discussing it. There are different views but we are studying whether it is at all necessary."

The turning point in the treatment of dissidents was the release last December of Dr Andrei Sakharov, the most famous Soviet dissident, from exile in Kazakhstan.

Technically, the Sungari is owned by a Liberian-based company, OMI Sungari Transport, and operated by an American subsidiary, Omid Marine International. It did not seem likely, therefore, that Washington would feel the need to retaliate for the Iranian attack.

## UN chief sets new deadline for Gulf war truce

BY ANDREW GOWERS, MIDDLE EAST EDITOR, IN LONDON

THE United Nations Security Council moved yesterday to revive its flagging bid to end the Gulf war as Iran further escalated the conflict by launching a missile at an American-operated tanker in Kuwaiti territorial waters.

In yesterday's attack, Iran fired a missile, possibly a home-made Silkworm, at a Liberian-flag tanker, the 275,632-tonne Sungari, anchored at Kuwait's Min al-Ahmar oil terminal. The ship was set ablaze and it took five hours to douse the flames.

The incident was the first Iranian attack on a vessel inside Kuwaiti territorial waters. If a Silkworm was involved, it would also be the first time Iran had used the 1,000lb missile against Gulf shipping, although it did fire up to three Silkworms at Kuwaiti territory in early September, presumably from a mobile battery. Tehran is believed to have installed the missiles on the occupied Fao peninsula.

Yesterday's missile attack, which follows a long series of Iraqi strikes on Iranian oil shipping and two clashes between Iran and the US naval forces in the Gulf, came perilously close to a complex which serves as the hub of Kuwait's oil refining and exporting operations, and to four Kuwaiti tankers now flying the US flag. It was not clear whether it was aimed at either.

Iranian forces had been given an immediate ultimatum to end the conflict by 11pm local time on Friday. The UN said it had received no immediate response from the US.

Technically, the Sungari is owned by a Liberian-based company, OMI Sungari Transport, and operated by an American subsidiary, Omid Marine International. It did not seem likely, therefore, that Washington would feel the need to retaliate for the Iranian attack.

## Strutt & Parker

A rapidly increasing presence in commercial property

We have transacted more than £750 million of commercial property investments in the last twelve months.

Currently our investment instructions are in excess of £1,000 million

STRUTT & PARKER

19 Pitt Street, Berkeley Square, London W1X 8QD

Telephone 01-629 7222 Telex 885550



Japan's Prime Minister is about to be replaced after a 'bonus' year's service, Page 23

Japan's Prime Minister is about to be replaced after a 'bonus' year's service, Page 23

Japan's Prime Minister is about to be replaced after a 'bonus' year's service, Page 23

Japan's Prime Minister is about to be replaced after a 'bonus' year's service, Page 23

Japan's Prime Minister is about to be replaced after a 'bonus' year's service, Page 23

Japan's Prime Minister is about to be replaced after a 'bonus' year's service, Page 23

Japan's Prime Minister is about to be replaced after a 'bonus' year's service, Page 23

## EUROPEAN NEWS

### EC gives go-ahead for Portuguese industrial plan

BY DIANA SMITH IN LISBON

PORUGAL has received European Community backing for intensive modernisation of its industry after more than a year of tough bargaining.

The Community has agreed between 1988 and 1992 to make available Ecu 10bn for four purposes: infrastructure, job training, productive investment and efforts to increase productivity, modernise marketing and manufacturing techniques.

EC budget strictures have meant that the commitment of grants for Portuguese industry has for the moment to be confined to maximum use of Portugal's structural fund quota in the European Development Fund (Feder) and the Social Fund (FSE) in 1986. The Feder will supply Portugal's maximum of Ecu 80m grants for the industrial sector.

The industry programme has taken a long time to get off the ground. The first version, submitted by the Cavaco Silva government in 1986, was over-ambitious. But ambitions were down-scaled and more realistic targets set.

This week, it was agreed to get on with the programme as fast as possible, in view of the large gap between much of Portuguese manufacturing and EC averages.

About half the 1988-92 financial backing will come from Feder and the FSE. If the next EC Council of Ministers in Copenhagen agrees, Portugal's fund quota will expand to double structural fund grants.

The other half will come from

### Poland criticises its Soviet airliners

By Christopher Bobinski in Warsaw

A POLISH newspaper has openly criticised the Soviet-built aircraft flown by Lot, Poland's state airline, and has called for their replacement with western aircraft.

The article in the latest issue of the Przeglad Tygodniowy weekly comes after a crash of a Lot-owned Ilyushin 86 in May, and the subsequent dispute with the Soviet Union over maintenance and replacement of engines in either Ilyushins owned by Lot.

Portuguese cut key interest rates by up to one per cent on yesterday in a bid to ease credit and encourage investment, Reuter reports from Lisbon.

"These measures will be very positive for investment and home ownership ... 1988 is going to be a good year for families and firms," he said after a cabinet meeting.

The maximum interest rate for all loans will drop to 13.50 per cent from 19.50 while the rate for time deposit savings of between six months and a year will be cut to 14 per cent from 14.50, Mr Cudlire said.

He also said a so-called "crawling-peg" devaluation of the escudo against a basket of currencies would be slowed to 0.40 per cent a month from January against the current 0.50 per cent.

The measures were announced amid official forecasts that the economy will grow by at least four per cent this year, about the same as in 1986 and one of the highest rates in Europe.

### Ceausescu's son replaced as head of youth league

BY JUDY DEMPSEY IN BELGRADE

THE ROMANIAN Communist Youth Movement has replaced Mr Nicolae Ceausescu as its head, prompting speculation about the future of his political career.

During a special session of the central committee of the Union of Communist Youth, 36-year-old Mr Ion Toma, who is the son of Mr Nicolae Ceausescu, the president and party leader, was removed and will be succeeded in other party duties. Mr Ion Toma has been appointed as his successor.

Mr Ceausescu has led the

youth movement since 1963. It is assumed he will now automatically lose his government post as Minister of Youth Affairs. Reports from Bucharest say that he will be appointed a secretary of a district party committee.

The president's son rose rapidly in both party and government ranks in recent years. He is a member of the party's political executive committee. At one stage there were suggestions that he was being groomed for the leadership, which is largely dominated by the Ceausescu family.

### Electricity chart

The chart in yesterday's article on West German and French electricity industries should have been entitled Electricity Generation in France and not Electricity Imports.

Dr Owen was speaking in Paris at a conference on "Europe

### William Dullforce reports on a swing to environmental concerns in the opinion polls Swiss elections take on a Green tinge

THE SWISS political establishment faces its strongest challenge in 28 years in this weekend's election to the federal parliament. Yet Switzerland's image of unparalleled political stability is unlikely ever to be blurred.

Opinion polls predict that all four parties in the ruling coalition - the Radicals, Socialists, Christian Democrats and People's Party - will lose seats mainly to a combination of Green environmentalists groups with wind in their tails after the accident to the Soviet nuclear plant at Chernobyl and the polluting of the Rhine by Swiss chemicals.

When the count is announced on Sunday evening, however, the four big parties, which received more than 80 per cent of the votes to the two chambers in the 1983 election, will still be firmly entrenched in power.

In appearance, the Swiss political will be unchanged. The "magic formula" of 2-2-2-1 under which the four parties have shared the seven seats on the Federal Council (government) since 1983 will continue.

In reality, however, in the conservative, evolutionary Swiss style, the result can signal change. The extent of the influence of the Greens will indicate the directions Federal policy can take over the next four years, in particular on energy and transport areas of importance for Swiss industry and commerce.

The Swiss political system operates by consensus. The four big parties in the centre absorb influences from the more volatile and often ephemeral political grouping around them. In this election campaign many big-party candidates have taken a more pro-environmentalist stand, by conviction or tactically to counter the Greens' appeal to their regular supporters.



The embattled Chernobyl reactor: a Swiss referendum is now planned on the use of nuclear power

Socialist, changed their spots to Green and have conducted an environmentalist campaign. In some cantons they offer joint lists with the Greens.

There is a slight possibility that this combined Green force could end up with more seats in the National Council than the weakest partner in the ruling coalition, the People's Party, which placed 21 members in the outgoing legislature. Such a development could stimulate agreement among the four-party members.

Even this would be something of a landslide in Swiss political terms. Changes in Switzerland are millimetric; this time we might see some centimetric changes; one experienced observer commented.

In the outgoing National Council the Ecological Party had only three members, but had been joined by two other candidates to form a voting bloc of five. The three members of the Progressive Organisation (Poch), originally a Marxist-Leninist group, who formed a voting bloc with the one Communist and one autonomous

and Defence," sponsored by the French Senate. The prospect of an agreement which would remove all intermediate-range nuclear forces from Europe was making it even more important to strengthen the conventional defence of Europe, he said. He believed that the extension of Franco-German defence co-operation, including the proposal for a Franco-German brigade and the recent joint exercises in West Germany.

"But the problems for the defence of Europe lie not where they exercised in the mountainous parts of southern Germany, where the US is strong, but in the flat North German plain, where it is Western Europe's own conventional forces that are strained," said Dr Owen.

"There can be no doubt that a French commitment to front-line in northern Germany would be a massive strengthening political as well as military, of Western Europe's defence. If there could be a contribution as well from Spain's over-large army, that would be an additional bonus."

Dr Owen saw no purpose in merely urging France and Spain to join Nato's integrated command structure: "They will not do so," he said. Nor did he support the idea that the Supreme Commander of Nato (SACNATO) should be a European, since the post would have to be held by an American in time of war.

Instead, he proposed a downgrading of the significance of the role of SACNATO in peacetime, and a re-allocation of the regional commands so as to give the European members of Nato a more prominent part.

The seven members of the Federal Council are then elected jointly by the two chambers and cannot be displaced during the four-year mandate.

Tradition also dictates that federal councillors from the previous administration wanting to remain in office will be re-elected. The system is designed to ensure stability. Only two new councillors will be elected this year.

It is widely seen among the political correspondents of the many Swiss newspapers in the Federal chancellery in Bern that the quality of the Federal Council has declined in recent years. The replacement of Mr Peter Aebischer, who held the foreign affairs portfolio, and of Mr Leon Schlumpf, responsible for transport and energy, are seen as offering an opportunity for parliament to reinforce the Government with two politicians of calibre.

Discontentment with a pallid, slow-moving Federal Council, particularly among young voters, is said to be one reason for the low turnout in federal elections. Only 42.8 per cent of the electorate voted in 1983 and that a small improvement.

Direct democracy is probably another reason. Voters know that most of the big issues ventilated during the election campaign will eventually be settled by national referendums.

With unemployment under 1 per cent, inflation under 2 per cent and per capita incomes the highest in Europe, there are no big economic issues. Some voters have told opinion pollsters that they give priority to the environment, the drugs problem, energy and pensions, in that order.

All these issues have been thoroughly ventilated in Swiss newspapers and in rather dull debates on television and radio.

Candidates themselves have raised questions about Switzerland's relationship with the European Community and its protective farm policy which is at stake in Gatt's current trade-liberalising negotiations.

They have argued over national transport policy, highlighted by a quarrel with Italy over heavy lorries transiting the Confederation and by the cutting of the St Gotthard motorway route in this summer's storms. None of these "dossiers" issues appear to have set the electorate alight.

The influx of refugees has not been spotlighted in public debate although this is a tiny smouldering issue. The right-wing National Action party, which had five seats in the last parliament, has run a campaign on the theme "12m foreigners (in a population of 6.3m) is enough".

In cantonal elections during the last four-year parliamentary mandate the National Action and its fellow Vigilant Party made the largest gains after the Greens.

Most emotion - if one can talk of emotion in a Swiss election - has been concentrated, however, on environmental matters, especially on the "death of the forests" allegedly caused by exhaust gases, and on nuclear energy.

Switzerland has six nuclear power stations and depends on nuclear power, some imported from France, to provide 40 per cent of its electricity. After Chernobyl, the government was planning on new construction and a referendum is scheduled on the future of nuclear power.

After the weekend election the Swiss parliament will certainly be greener. The Greens may not be bright enough, however, seriously to worry the ruling political and corporate power bloc.

**FINANCIAL TIMES**  
Published by The Financial Times (London), Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and as members of the Board of Directors: F. Barlow, R.A.F. McClean, G.T.S. Denner, M.C. German, D.J. Hargreaves, L. Pfeiffer, F. Pfeiffer, S. Drucker-Graebel, Frankfurt/Main.  
Responsible editor: D. Alton, Frankfurt/Main. Günterstrasse 54, 6000 Frankfurt am Main 1. Tel: 750000. Fax: 411 750000. © The Financial Times Ltd. 1987.  
**FINANCIAL TIMES, USPS No. 180340**, published daily except Sundays and holidays. U.S. subscription rates \$263.50 per annum. Second class postage paid at New York, N.Y., and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 50th Street, New York, N.Y. 10022.

## Come to Italy.



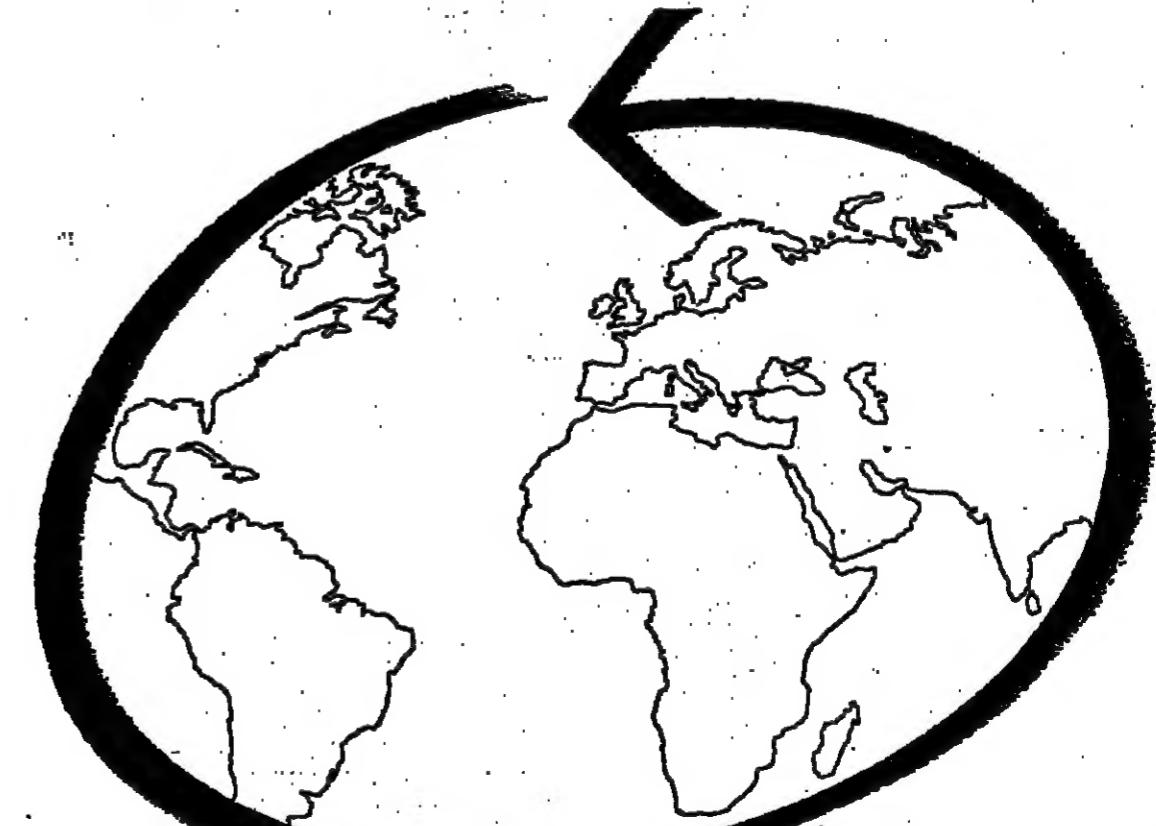
### A warm welcome from MPS Banking Group.

With its international network, expertise and tradition, the MPS Banking Group is prepared to handle your every banking need anywhere in the world. Our offices in New York, London, Paris, Moscow, Frankfurt, Singapore, Cairo and São Paulo offer you all the advantages and services that only a large banking group can provide.

Our group figures need no comment. They speak for themselves: total deposits of 64,996 billion lira, profits of 572 billion lira, over 16,000 employees and 773 branches throughout Italy.

Wherever you find Monte dei Paschi di Sienna, Banca Toscana, Credito Commerciale, Credito Lombardo and Italian International Bank, you can be sure to find a highly professional and reliable banking organization. And you're welcome at any of our offices. Welcome to Italy.

**MPS**  
BANKING GROUP



## Welcome to Italy and surroundings.

Please, come in. You will find here all the banking services necessary to ensure the success of your international business. 475 branches distributed all over the country: the most widespread banking network in Italy. 18 offices abroad as well as a full worldwide coverage of Correspondent Banks. Moreover, the experience and reliability of a bank that has been working at the highest professional levels for more than a century, in the heart of local and international events. Credito Italiano brings Italy and the World within your reach.

Head office  
Milan - 2 Piazza Cordusio, Milan 20121 (Italy)  
Branches abroad  
London - New York - Los Angeles - Grand Cayman - Tokyo  
Representatives abroad  
Amsterdam - Buenos Aires - Cairo - Chicago - Frankfurt A/M  
Hong Kong - Houston - Moscow - Paris - Peking - São Paulo - Zürich

**Credito Italiano**  
wherever banking is a must

## EUROPEAN NEWS

**EC faces years of high unemployment, warns Commission**

By WILLIAM DAWKINS IN BRUSSELS

THE European Community will have to live with intolerably high unemployment for years unless EC governments act fast to stimulate internal growth and improve economic cooperation.

This stark warning was delivered yesterday by the European Commission in its latest annual economic report, which calls on member states to implement a co-operative growth strategy to create more employment. Such a strategy would involve a more intensive social dialogue, more rapid progress towards scrapping internal trade barriers by 1990, and moves to attract more private capital to poorer member states.

That will be the only way to escape from the trap of slow growth extending into the medium term into which the Community seems to have fallen, claims the report, which lays notably less emphasis than in the past on expansionary economic policies.

The study contains no more specific remedies for the Community's economic ills, a shortcoming which drew criticism from some economic observers.

The EC's average growth rate has fallen from last year's 2.6 per cent to barely more than 2 per cent in the current year, where it will remain in 1988.

This level of growth is just about sufficient to stabilise the

unemployment rate at nearly 12 per cent - an intolerable level - says the report.

One reason for the slowdown is governments' inability to stimulate internal demand in the wake of a sudden decline in exports, it argues. EC competitiveness has been hit by the relative strengthening of Community currencies, so that the Ecu's real effective exchange rate has climbed by 20 per cent over the past two years.

To make matters worse, the traditional export markets have shown practically no growth. They are expected to recover slightly, but not nearly

enough to contribute to the Community's growth at a time when the EC can only look forward to a decline in domestic demand.

While differences in member states' economic performance are a perennial headache for policy-makers, the report does pinpoint a new threat. Spain, Portugal, Italy and the UK currently have growth rates of 3 per cent or more, well above the EC average. To keep their current accounts in balance, they may well be tempted to restrain internal growth if expansion remains weak among their EC trading partners - and this would affect the whole Community, warns the report.

It calls for continued wage restraint, a gradual cut in taxes and a boost in "profitable public investment." However, the Commission fears that diverging policies on public debt between the 12 carries "serious risks" of limiting all member states' room for manoeuvre.

Here, member states have split into two clear groups: Belgium, Ireland, Italy, Greece, Portugal, Spain and the Netherlands, where the government deficit is between 5 per cent and 10 per cent of gross domestic product (GDP) and growing; and the other five member states, where the budgetary situation is easier.

The danger is that countries with high public debts might stifle their own growth in their attempts to tighten up public finances, thereby harming their partners' prospects. The answer, says the Commission, is for the less-indebted governments to seek a "co-operative solution" which would "actively support growth."

The report contains clear criticisms of the economic policies of at least two member states, West Germany and the UK. It says Bonn has made "scant progress" in dismantling subsidies for industries with "no future whatsoever". The Commission also calls on West Germany to

reconsider its tight rein on public spending to prevent a further decline in employment and to avoid a slowdown in the process of renewing productive capacity.

Britain is singled out for its continued "rapid rise in per capita earnings and unit labour costs," which the Commission says is a worrying development. A long period of exchange rate stability could help to moderate wages by reducing inflationary expectations. But to achieve that, says Brussels, Britain should join the European Monetary System.

**Wage curbs seen as key to growth in Sweden**

By Sara Webb in Stockholm

THE SWEDISH economy can strong growth, increased investment and low unemployment, provided price and wage increases can be kept in check, according to the government's forecast released yesterday.

Mr Erik Asbrink, Under-Secretary of State in the Finance Department, stressed that wage increases would have to be brought under tighter control. The Government is prepared to withdraw its proposal to increase payroll tax by 0.3 per cent next year provided a wage agreement for 1988 can be concluded, he said.

The Government is also due to present its guidelines on wage increase ceilings for the public sector soon.

According to the forecast, economic growth is expected to be 2.8 per cent in 1987. Hourly wages will increase by just over 3 per cent while consumer prices will increase by 4 per cent (December 1986 to December 1987).

Unemployment is expected to be 2 per cent for 1987. The current account on the balance of payments is expected to fall to SKr6.5bn (£181m), from SKr8.6bn last year.

The government forecasts for 1988 and 1989 were more guarded, however. Mr Asbrink said that if hourly wage increases could be kept to 3 per cent, economic growth could be 2.3 per cent in 1988 and 2.7 per cent in 1989, with consumer prices rising by 2.9 per cent.

The balance of payments current account would be minus SKr3.5bn in 1988 and minus SKr3.8bn in 1989.

On a more pessimistic note, if wages increased by 6 per cent in 1988, economic growth would only be 2 per cent in 1987 and 3 per cent in 1988. Consumer prices would be expected to rise by 5.4 per cent while the current account on the balance of payments would be minus SKr6.1bn next year and minus SKr11.8bn in 1989.

**FT's Italian award**

Alan Friedman, Financial Times correspondent in Milan, has been named Foreign Correspondent of the Year in the Premio Trento, one of Italy's major press awards, for his reporting on Italian affairs.

**Bonn threat to quit Unesco****Poor trade figures hit French markets**

By GEORGE GRAHAM IN PARIS

THE BATTLE over the succession at Unesco heated up yesterday as West Germany threatened to quit if Mr Amato Mbow were re-elected director-general.

Mr Lutz Erhard, State Minister at the Chancellor's office, said yesterday that Mr Mbow had followed an "imperial" policy at Unesco. He confirmed that Bonn was working energetically to support the Spaniard Mr Frederic Mayor to succeed him in his post in the final round of elections this evening.

Mr Mayr, a centre-right member of the European Parliament, is a former Education Minister and Unesco deputy director-general.

Chancellor Helmut Kohl voiced strong opposition to Mr Mbow's campaign for re-election at Wednesday's cabinet meeting and promised "consequences" if the controversial Senegalese were to secure a third term.

West German officials yesterday pulled back from saying definitively that Bonn would quit Unesco if Mr Mbow, who is strongly supported by African and Asian countries, were to win. Bonn's clear strategy is to hope that combined opposition from Washington and others, which have all made their anti-Mbow position clear in recent years, will be enough to push through an alternative candidate when the Unesco executive committee meets on November 7 to decide a new director-general.

FRENCH MARKETS plunged yesterday following the announcement of a large foreign trade deficit and in the wake of Wall Street's drop on Wall Street.

The trade deficit increased to FF2.4bn (£240m) in September after seasonal adjustments, bringing the total deficit in the first nine months of the year to FF26.2bn. In the same period of 1986, France had a trade deficit of only FF1.6bn.

The Government announced at the same time that the rate of inflation in the 12 months to September had fallen to 3.2 per cent from 3.5 per cent in the previous month, following a 0.6 per cent rise in prices last month.

This relatively encouraging result did not, however, prevent French bond and equity markets from diving sharply.

The Matif, Paris's financial futures market, had to close at noon when the fall in prices exceeded the 2 per cent limit allowed in a single day.

In the stock market, prices fell by 4.4 per cent, taking the drop so far this month to nearly 10 per cent. In the money markets, the French franc fell, dragged down partly by the sliding US dollar.

At Monday's exchange rate change fixing, it traded at FF107.007 to the D-Mark, down 0.5 centimes from the previous day.

Dealers said the Bank of France had intervened in support of the French currency, even though it is still well above its central rate within the exchange rate mechanism of the European Monetary System.

The French Government reports from Paris.

**Nobody tells our fund managers what to do.**

At Lloyds Investment Managers, we don't simply employ our fund managers to do what they are told.

That would surely be a criminal waste of their experience.

Instead, they are given ample opportunity to exercise their skills to deliver a consistently strong performance for all our clients.

Over the last five years, they have achieved a result of 25.4% per annum. Well above the upper quartile result for the industry.

What's more, sophisticated control procedures ensure that all our clients do well, not just a select few.

This doesn't mean that our fund managers are tied to a recommended list of stocks.

Or that they are constrained from making tactical adjustments to asset allocation.

What it does mean is that they can use their discretion to ensure that our clients profit from their experience.

And fearful of overburdening them, we do not allow more than 8 funds per manager. That way, each

one knows his clients' portfolios inside out. And has time enough to make considered market assessments.

More important still, every single decision is based on consistent economic assumptions.

We find close communication the best way to achieve this. Working in an open plan office ensures a fast flow of vital information.

As for financial rewards, these are based on the performance of the team as a whole. Consequently, they all pull together.

And what is the avowed aim of this carefully considered philosophy?

To continue to provide our clients with excellent performance and a personal service that's second to none.

If you'd like to know more, ring 01-600 4500 and ask for Keith Jecks or Godfrey Hemsley.

They will gladly fill you in.



**Lloyds  
Investment  
Managers**

**Opposition urges Kohl to visit East Berlin**

By DAVID MARSH AND PETER BRUCE IN BONN

THE CHAIRMAN of West Germany's opposition Social Democratic Party, Mr Hans-Joachim Vogel, has called on Chancellor Helmut Kohl to visit East Berlin when he makes his expected trip to East Germany next year.

Mr Kohl has accepted the idea of paying a return visit to East Germany following the ground-breaking trip to the Federal Republic last month by Mr Erich Honecker, the East German leader. But the issue of whether the Chancellor should go to the eastern half of the divided city, or meet Mr Honecker elsewhere in the country, is a delicate one since West Germany does not formally recognise East Berlin as the capital

taken into account. But he pointed out that Mr Helmut Kohl, former Prime Minister of France, one of the signatories of the four-power agreement of Berlin in 1971, previously visited East Berlin without interfering with the city's delicate status.

The Social Democratic leader said he did not dispute the aims set down in the federal Basic Law (provisional constitution), of maintaining the unity of the nation, even though it was split into two states.

Similarly, in a Bundestag debate yesterday, Mr Kohl drew a positive picture of the state of East-West German relations. As many as 5m trips by East Germans to West Germany could be

expected this year, 1m of them by people other than pensioners who are allowed more liberal travel arrangements.

Speaking in the same debate, Mr Vogel said that the SPD shared a common line with the government on some aspects of the policy of the East German government.

But he pointed out that the Kohl government's progress in relations with East Berlin marked a change from the right's policies during the last decade.

Similarly, in a Bundestag debate yesterday, Mr Kohl drew a positive picture of the state of East-West German relations. As many as 5m trips by East Germans to West Germany could be

expected this year, 1m of them by people other than pensioners who are allowed more liberal travel arrangements.

Even at this rate of production, Mr Vogel said the workforce had to work an extra two or three hours a day and all weekend to meet their targets.

Previously, the bus plant fulfilled its plan by producing vehicles which had up to 40 or 50 parts missing.

But, according to Mr Negasov, the cause of the strike was the feeling among workers, confirmed by the management, that

it was impossible for them to produce vehicles of acceptable quality because of obsolete machine tools, some of which were 40 years old.

Mr Gennady Tarulenkov, the general director of the Likino bus factory, who took over after his predecessor was fired following the strike, says the problem is that the plant has needed to be re-equipped for at least 10 years. In 1981, the Ministry for the Motor Industry cancelled a plan to give the plant extra space.

According to a Gosplancom official, who had worked in the factory for 30 years before being put in charge of quality control: "The factory has been producing the same model bus since June 1970 and practically nothing has changed since then. The Likino strike

was the result of a sharp fall in their standard of living as a result of the Kremlin's economic drive.

At Likino the people started when workers found their pay cut by 10% (70-70 250-270) a month because Gosplancom, the new state quality control organisation which started to operate in the plant a year ago, would not accept many of the buses

coming off the assembly line.

Mr Alexei Negasov, a worker at the plant, told the weekly Moscow News: "The number of buses coming off the conveyor belt decreased. Instead of 33-34 a day we were making 20-25 so we were not getting our bonuses any longer. I used to make an extra 100 roubles. Everyone lost at least 60 to 70 roubles."

Even at this rate of production, Mr Negasov said the workforce had to work an extra two or three hours a day and all weekend to meet their targets.

Previously, the bus plant fulfilled its plan by producing vehicles which had up to 40 or 50 parts missing.

But, according to Mr Negasov, the cause of the strike was the feeling among workers, confirmed by the management, that

it was impossible for them to produce vehicles of acceptable quality because of obsolete machine tools, some of which were 40 years old.

Mr Gennady Tarulenkov, the general director of the Likino bus factory, who took over after his predecessor was fired following the strike, says the problem is that the plant has needed to be re-equipped for at least 10 years. In 1981, the Ministry for the Motor Industry cancelled a plan to give the plant extra space.

According to a Gosplancom official, who had worked in the factory for 30 years before being put in charge of quality control: "The factory has been producing the same model bus since June 1970 and practically nothing has changed since then. The Likino strike

was the result of a sharp fall in their standard of living as a result of the Kremlin's economic drive.

At Likino the people started when workers found their pay cut by 10% (70-70 250-270) a month because Gosplancom, the new state quality control organisation which started to operate in the plant a year ago, would not accept many of the buses

coming off the assembly line.

Mr Alexei Negasov, a worker at the plant, told the weekly Moscow News: "The number of buses coming off the conveyor belt decreased. Instead of 33-34 a day we were making 20-25 so we were not getting our bonuses any longer. I used to make an extra 100 roubles. Everyone lost at least 60 to 70 roubles."

Even at this rate of production, Mr Negasov said the workforce had to work an extra two or three hours a day and all weekend to meet their targets.

Previously, the bus plant fulfilled its plan by producing vehicles which had up to 40 or 50 parts missing.

But, according to Mr Negasov, the cause of the strike was the feeling among workers, confirmed by the management, that

it was impossible for them to produce vehicles of acceptable quality because of obsolete machine tools, some of which were 40 years old.

Mr Gennady Tarulenkov, the general director of the Likino bus factory, who took over after his predecessor was fired following the strike, says the problem is that the plant has needed to be re-equipped for at least 10 years. In 1981, the Ministry for the Motor Industry cancelled a plan to give the plant extra space.

According to a Gosplancom official, who had worked in the factory for 30 years before being put in charge of quality control: "The factory has been producing the same model bus since June 1970 and practically nothing has changed since then. The Likino strike

was the result of a sharp fall in their standard of living as a result of the Kremlin's economic drive.

At Likino the people started when workers found their pay cut by 10% (70-70 250-270) a month because Gosplancom, the new state quality control organisation which started to operate in the plant a year ago, would not accept many of the buses

coming off the assembly line.

Mr Alexei Negasov, a worker at the plant, told the weekly Moscow News: "The number of buses coming off the conveyor belt decreased. Instead of 33-34 a day we were making 20-25 so we were not getting our bonuses any longer. I used to make an extra 100 roubles. Everyone lost at least 60 to 70 roubles."

Even at this rate of production, Mr Negasov said the workforce had to work an extra two or three hours a day and all weekend to meet their targets.

Previously, the bus plant fulfilled its plan by producing vehicles which had up to 40 or 50 parts missing.

</

## AMERICAN NEWS

## Alfonsin repeats call for cut in debt interest rates

BY TIM COONE IN BUENOS AIRES

PRESIDENT RAUL Alfonsin has reiterated his call for a reduction in interest rates payable on Argentina's foreign debt "at least half their present level."

The loss that this would imply to the banks, he said, should be considered a "contribution by the industrialised economies which are responsible for the present disequilibrium in interest rates."

Speaking on national television on Wednesday night, President Alfonsin reiterated that there would be no unilateral action by Argentina on the foreign debt issue.

"We shall continue negotiating, but with firmness," he said. "If we had done otherwise we would now be facing disaster."

He said the problem of the foreign debt, the fall in commodity prices and the battle over income distribution had created an "inflationary bomb

in the midst of Argentine society."

Defending the package of economic measures announced earlier in the day, he said their prime objective was "to defend the bomb." A political pact with the opposition parties, the trade unions and industrial leaders was "absolutely indispensable" to prevent a subsequent reversal of inflation.

President Alfonsin has been attempting since the beginning of the year to put together a form of "social contract" in which basic agreements would be reached on prices and incomes policy and future wage negotiations.

This has failed because of a lack of consensus on key issues such as the handling of the foreign debt negotiations and income retention.

The General Confederation of Workers (CGT) announced yes-

terday the strike planned for today had been called off. The economic package included a 7.5 per cent increase in the minimum wage and a 12.2 per cent increase for other wage scales.

Mr Saul Ubaldini, the CGT general secretary, said however that the measures did not satisfy the needs of the workers and that he would be recommending industrial action to his executive committee when it met later this month.

Mr Antonio Caifano, the head of the Paronist opposition, said the plan would have to be given "a couple of months" to see how it worked.

Mr Eduardo de la Fuente, the head of the Argentine Industrial Union (UIA) and one of the opposition groups in which basic agreements would be reached on prices and incomes policy and future wage negotiations.

This has failed because of a lack of consensus on key issues such as the handling of the foreign debt negotiations and income retention.

The General Confederation of Workers (CGT) announced yes-

## US retail figures hit by big fall in car sales

US retail sales fell by 0.4 per cent in September largely due to a sharp drop in car sales, the Commerce Department said yesterday. Reuter reports from Washington.

Car dealer sales fell by 1.4 per cent last month after a 2.7 per cent surge in sales in August, the department said. September car sales were 12.2 per cent lower than one year ago, it added.

Excluding car sales, retail sales were down by only 0.1 per cent, the department said.

Declining sales could mean US consumers are curbing their appetite for imported goods. On Wednesday, the government said the US trade deficit narrowed to \$15.86bn in August, down from \$16.75bn.

But the monthly deficit was lower than expected and the recent rise rocked financial markets. The dollar fell in currency markets and Wall Street stocks suffered their biggest one-day loss ever.

Despite the large decline in car sales, the September retail drop was smaller than financial analysts had anticipated. Analysts had expected a 0.7 per cent drop.

The September decline in sales totalled \$567m and brought sales to a seasonally adjusted \$122.76bn. September sales were 6.2 per cent below year-ago levels, the department said.

The role of Uruguay's armed forces, as perceived by the US, is to lend regional support to the western powers in the event of an East-West conflict - hence the regular military aid to protect the country from internal strife. This was the basis of the national security doctrine adopted by all the armed forces of the region in the post-Cuban revolution scare of the early Sixties, and the basis for the Government to hold a plebiscite on the issue.

Under Uruguay's constitution a referendum on any political issue is to be held if 20 per cent of the electorate petition for it.

In Uruguay the doctrine initially led to the military coup of 1973 and a dictatorship lasting 12 years. The activities of the left-wing Tupamaros guerrillas at the time were used by the military as the justification for seizing power.

The social cost of that period was tens of thousands of tortured political prisoners, the disappearance of over 200 political militants at the hands of the security forces and a legacy of mutual mistrust between the military and civilian political parties.

Shipment of Iranian oil to the US fell to 263,282 barrels in August from 696,000 barrels in July. Oil prices were at their highest monthly level since the 1973-74 hostage crisis, the department said in its monthly report.

The warning follows a cover story in Veja, Brazil's most authoritative news magazine, criticising the opinions of Professor Mario Henrique Simonsen, the former finance and planning minister.

Prof Simonsen warned that failure to adopt free-market economics was throttling both enterprise and the country's economic survival.

"A democratic regime based on a pharisaic, spendthrift and irresponsible central machine which torifies the state will have the same destiny as its predecessor - collapse."

The cost of living index is provoking a wave of wage demands with many groups of workers seeking increases of more than 50 per cent. There is also pressure on interest rates with the government's base Central Bank Letter (LBC) expected to rise to 8.25 per cent this month.

## Brock confirms Dole move

THE US Secretary of Labour Mr William E. Brock confirmed yesterday he would resign from President Ronald Reagan's Cabinet, AP reports from Washington.

He did so in an announcement which constituted his first campaign speech for his next bid for the presidential nomination. Senator Robert Dole.

Mr Brock said: "This is not a decision made lightly. He is to become Mr Dole's campaign chairman on November 1 when he leaves the cabinet."

"I am deeply concerned about the enormous range and complexity of issues facing our nation," he said. "Senator Dole's extraordinary personal leadership made the decision imperative."

Mr Brock is the second cabinet official to resign to work full time on Mr Dole's drive for the Republican presidential nomination. Mr Dole's wife, Elizabeth, resigned as transportation secretary at the beginning of the month.

Mr Brock is a former Republican party national chairman widely credited with rebuilding the party after the Watergate scandal during the administration of Mr Richard Nixon.

## Inflation of 200% a year looms in Brazil

BY IVO DAWNEY IN RIO DE JANEIRO

**INFLATION** in Brazil looks likely to surge again to 8.2 per cent in October - just less than 200 per cent a year - and 15 per cent in November, according to estimates compiled by the IBGE, the official statistical service.

As the temporary price freeze imposed in June by Mr Luiz Carlos Bresser Pereira, the Finance Minister, begins to be lifted, a series of sharp increases in costs are leading through the economy.

When the freeze was introduced, inflation at 28 per cent in June dropped back to single figures, recording 5.8 per cent last month.

The main impetus behind the surge is believed to rises in rents, up 31 per cent in São Paulo and 25 per cent in Rio de Janeiro. Other increases either agreed or imminent include petrol and alcohol fuel (16 per cent), milk (16 per cent) and telephone charges (6 per cent).

The cost of living index is provoking a wave of wage demands with many groups of workers seeking increases of more than 50 per cent. There is also pressure on interest rates with the government's base Central Bank Letter (LBC) expected to rise to 8.25 per cent this month.

Mr Brock is the second cabinet official to resign to work full time on Mr Dole's drive for the Republican presidential nomination. Mr Dole's wife, Elizabeth, resigned as transportation secretary at the beginning of the month.

Mr Brock is a former Republican party national chairman widely credited with rebuilding the party after the Watergate scandal during the administration of Mr Richard Nixon.

## Plessey signs phone exchange pact with Finns

BY TERRY DOODSWORTH, INDUSTRIAL EDITOR

PLESSEY Business Systems of the UK has concluded an agreement for the distribution of its ISDX private telephone exchange system. Nokia, the Finnish telecommunications and electronics group.

Nokia will have the rights to sell the Plessey equipment exclusively in Scandinavia, where the UK group believes there is significant potential to expand against the entrenched position of Ericsson of Sweden and Siemens, the West German company.

In addition, Nokia will have the right to exchange in the Soviet Union if Plessey can gain clearance to sell to Eastern bloc countries under the Coocom agreements formulated by Western governments for the export of high-technology equipment.

At present, Nokia dominates the sale of Western-designed telecommunications products to the Soviet Union, regarded as potentially one of the largest growth markets in telephone equipment over the next decade. The Finnish company supplies the Russians with both cables and small exchanges that fall outside the Coocom.

## French to share in Indian combat aircraft design

BY JOHN ELLIOTT IN NEW DELHI

COMPANIES from France, the US, and Sweden have been chosen by India to play leading roles in the design of a light combat aircraft which India hopes to build in the early 1990s, despite extensive delays in the development programme.

Aerospace Marcel Dassault has signed a \$10m contract with the Indian Ministry of Defence for project definition work which involves producing an overall design for the proposed fighter. Dassault has beaten competitors such as British Aerospace, MBB of West Germany, and Grumman and Northrop of the US for this.

An agreement has also been reached by India and the US for collaboration between the US Air Force Wright Aerodynamics Laboratory, which has experience developing F15 and F16 fighters, and India's Aeronautics Development Establishment of Bangalore, for work on

## Submarine deal may mean triple accord

By David Busch, Defence Correspondent

ANGLO-AMERICAN accords on exchange of military-related nuclear technology may have to be renegotiated into a trilateral pact embracing Canada, if the UK is to win Washington's approval for its offer to Canada of nuclear-powered submarines over the past three years. The exchange is now being sold in Australia, the Far East, Italy and China, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China, and establish a joint venture with Nokia about five years ago, when it signed agreements on the supply of small and medium-sized digital private exchanges to the Soviet Union, and negotiations are at an advanced stage with the Chinese on a technology transfer deal which would allow the equipment to be made in China



Nicholas Woodsworth reports on a company which is pioneering the marketing of appropriate technology to West African farmers

## Putting a heritage to work

WHEN IT COMES to his southern heritage, soft-spoken Mississippian David Ray can only be ironic. Last century his plantation-owning ancestors had one great concern: that their West African slaves would produce as much from the soil as possible. More than one hundred years later, Ray is still obsessed with crop production and a few things - not the least of them technological - have changed.

Ray is vice-president of a company which is pioneering the marketing of appropriate technology to small farmers in West Africa. A former plantation owner trained in agro-economics, he and a black American partner last year founded the New Horizons Export Trading Corporation. Located in the economic capital of Abidjan in the Ivory Coast, the company is one of the first in Africa to involve itself in appropriate technology transfer on a profit-making basis.

Western agricultural firms exporting to Africa generally find their markets in supplying large-scale commodity industries such as coffee, cocoa, rubber and palm oil. Nevertheless, Ray believes there is a substantial market in working with small cultivators of food crops who so far have been overlooked.

Such an approach now receives much more encouragement from third world governments than it used to. With all-time lows, it is the export-based economies that are realising most quickly the danger of total dependence on commodities.

Even the Ivory Coast, which built what is regarded as black Africa's most successful economy on foreign investment and cocoa and coffee exports, is recognising the value of agricultural self-sufficiency. Heavily indebted and having to pay for

food imports with hard currency, like many other countries it has recently called for intensive crop diversification programmes.

But attacking the largely untapped market of millions of African small farmers - there are 2m farmers and 8,000 agricultural co-operatives in the Ivory Coast alone - is a specialised business.

"Lack of appropriate mechanisation, irrigation and new seed hybrids is holding production back," says Ray. "Most African farmers today are still using the

technical efficiency and reliability; ease of repair by local personnel using available materials.

Among the pieces of equipment marketed by New Horizons are:

• A portable water well drilling rig capable of drilling to a depth of 100ft in a day. This machine can be carried to inaccessible drilling sites on the farmer's back and provides a well suitable for field irrigation or as a drinking water supply. The rig retails for less than \$5,000 (£3,000) and makes it possible to

**Even the Ivory Coast, with a largely commodity-based economy, sees the value of agricultural self-sufficiency**

traditional hand-hoe and machete as their only tools."

In view of this, the high-tech approach adopted by public aid projects in the west is not one New Horizons will consider. Price alone puts it out of the reach of the small farmer. And while the larger farmer may be able to afford to buy more expensive and sophisticated machinery, maintenance problems have often led to disaster.

After more than a year and a half of market product research, New Horizons chose to market technologically appropriate items manufactured by 22 African firms. While they vary from the simplest garden tool to the latest scientific innovation, all were chosen for their suitability to West African conditions.

Strict criteria were applied, including: low purchase price relative to cost of machines of similar function; low running and maintenance costs; high

drill a well for less than \$300. By drilling 50 wells in one year, an entrepreneur would realise profits three times the size of his purchase investment.

• Two-wheel "walk-behind" tractor. With 20 different front-mounted, gear-driven attachments, this motor tiller can clear heavy brush growth and perform all field operations, including the sowing of seeds. It can plough up to one hectare per day. A relatively low purchase price means that it can become the primary tool of a single farmer or small agricultural co-op.

• Seventeen-horsepower "simplor" tractor. Because its simple engine, transmission and drive train are externally mounted, a problem can be seen and repaired on the spot without sophisticated tools. If necessary, the motor can be unbolted and carried to a repair site. New Horizons is seeking to have the

machines made under licence in the Ivory Coast, cutting the price to less than half that of a comparable machine.

• Wind-powered water pump. This suits the savannah regions of Africa where there is no electricity, but plenty of wind. Powered by a wind turbine that drives an air pump down a well hole to force water up, the Homesteader has few moving parts. Unlike conventional windmills, the turbine can be mounted on high ground up to a quarter of a mile away from the bore hole and can also pump water from an open stream or pond. The company claims that it has double the pumping capacity and costs £1,000 less than any other wind-operated pump sold in West Africa.

• Solar-powered pumps. These can be ordered as custom-made packages for individual needs. Virtually maintenance-free, they employ the latest design of brushless electric motor and photo-voltaic panels guaranteed for 10 years. Add-on panel capacity allows the energy supply to be increased. Operating from sunrise to sunset, a solar pump can provide four times as much water as two conventional footpumps operated 24 hours a day.

Convincing farmers of the value of this equipment has not been a problem - enormous interest has been shown during village demonstrations by 20 New Horizons employees. The greatest obstacle that the company has encountered has been apathy on the part of potential dealers.

"We want to loosen the strangle-hold the Lebanese and French business communities have on the West African farmer. They're selling them what they don't need or can't buy," says Ray. "We are therefore trying to find Africans who know farming people and their problems, to set up their own dealerships. But often these business-

men are more impressed by giant tractors than four-horse power motor tillers. They do not see that little machines can bring in big profits, or any profits at all."

Ray, however, believes otherwise. While the dent he has made in the Ivory Coast market is still relatively small, he is already laying out marketing strategies for neighbouring countries.

Old hands might say that these are big plans for a company that has been making a profit based on its market share. They come to grief. But Ray does not consider himself a total stranger to African ways. "I know what West Africans did in Mississippi without any personal gain or machinery at all," he says. "The incentive is here. If Africa wants to feed itself and is allowed to, it will."

The taming of mustard

Mustard is about to lose its bite at RHM Ingredients, Syrapiles of London, part of the Rank Hovis McVitie group. Food scientists there have discovered that if the mustard's sting is removed by chemically de-activating the enzyme responsible, the resulting substance can be used to improve the texture of many condiments foods.

At present, mustard seeds or mustard flour, the pacified mustard can perform many of the roles normally assigned to alkali-numbered artificial additives. She says: "It is not yet maximized and gravita impacts a creamy homely appearance and stops solids separating. It acts as a natural emulsifier giving body to mayonnaise and salad creams and it has a vital role as an stabilizing agent in pies, burgers and sandwiches."

Saving heat from the drain

LESS ENERGY will be lost down the drains of industrial and domestic premises according to Raychen, the US-based materials specialist, of

RHM Ingredients.

It is able to save 10 per cent

on heating bills by wrapping

round hot water service pipes before the insulation is applied.

Pipes between hot water tanks and base remain full after use, and as water cools down, it will be forced up as

heat by the next user as he waits for it to run hot again.

Savings can be made, says

Raychen, by applying just

enough heat to keep up the

temperature of the water so

that it is used next time. The

company makes a tape which,

connected to the electrical

system is able to regulate itself

to produce a specific temperature. Thus, no more electricity

than necessary is consumed.

Known as BWAT, the tape

has a resistive core between

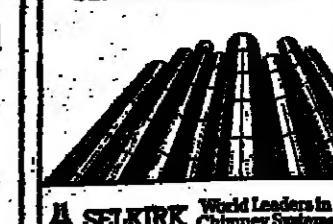
two wires. The core expands

when the temperature rises,

increasing the resistance and

cutting the current.

There may be equivalents but there are no equals.



## Exploration via a less explosive route

BY GEOFFREY CHARLISH

A MORE efficient and environmentally acceptable way of carrying out seismic testing on land is nearly ready for commercialisation at the Sandia National Laboratories in Albuquerque, New Mexico, in the US.

Seismic testing is a necessary initial stage of the exploration for new oil and natural gas sources and involves the local projection of low frequency vibrations through the subsurface of the earth. The vibrations are picked up by carefully placed geophones. Originally microphones, the electrical outputs of which can be used to record a "signature" of the area and indicate the prospects for successful drilling in the area.

To date, either explosive charges or surface "shakers" have been used to obtain the low frequencies needed, but these can cause annoyance and damage to property if the tests have to be carried out

in the middle of a crowded city.

They are also inefficient technically, since the test signal only lasts for the duration of the explosion.

The Sandia team has developed a device which continuously generates the 1Hz to 300Hz band of frequencies for the tests. It comprises a single-cylinder compressed air engine, in which the piston stroke of the three-inch diameter piston can be adjusted to alter the vibrations produced by the engine. The machine is contained in a five-inch diameter cylinder which has expanding radial clamps to fit it in the bore hole and transmit the vibrations.

Operating up to a mile down, the Sandia system is more effective than surface devices in sending the test waves through the areas under investigation of the prototype look promising.

## Fresh move on memory

Sony, Hitachi, Mitsubishi and Toshiba have been collaborating on the 1M-bit chip since last February. US companies like IDT and Cypress have available for some months, although the world's fastest SRAM has been developed by the UK firm, Inmos. As yet, there is no indication how fast the new Sony chip will be.

The market for SRAMs has stabilised after a period when prices fell sharply. Customers are emphasising quality and reliability over price.

Alan Cane

## WORTH WATCHING



Edited by Geoffrey Charlish

HSWAT is about to lose its bite at RHM Ingredients, Syrapiles of London, part of the Rank Hovis McVitie group. Food scientists there have discovered that if the mustard's sting is removed by chemically de-activating the enzyme responsible, the resulting substance can be used to improve the texture of many condiments foods.

At present, mustard seeds or mustard flour, the pacified mustard can perform many of the roles normally assigned to alkali-numbered artificial additives.

She says: "It is not yet maximised and gravita impacts a creamy homely appearance and stops solids separating. It acts as a natural emulsifier giving body to mayonnaise and salad creams and it has a vital role as an stabilizing agent in pies, burgers and sandwiches."

Saving heat from the drain

LESS ENERGY will be lost

down the drains of industrial

and domestic premises according to Raychen, the US-based materials specialist, of

RHM Ingredients.

It is able to save 10 per cent

on heating bills by wrapping

round hot water service pipes before the insulation is applied.

Pipes between hot water tanks and base remain full after use, and as water cools down, it will be forced up as

heat by the next user as he waits for it to run hot again.

Savings can be made, says

Raychen, by applying just

enough heat to keep up the

temperature of the water so

that it is used next time. The

company makes a tape which,

connected to the electrical

system is able to regulate itself

to produce a specific temperature. Thus, no more electricity

than necessary is consumed.

Known as BWAT, the tape

has a resistive core between

two wires. The core expands

when the temperature rises,

increasing the resistance and

cutting the current.

The taming of mustard

Mustard is about to lose its bite at RHM Ingredients, Syrapiles of London, part of the Rank Hovis McVitie group. Food scientists there have discovered that if the mustard's sting is removed by chemically de-activating the enzyme responsible, the resulting substance can be used to improve the texture of many condiments foods.

At present, mustard seeds or mustard flour, the pacified mustard can perform many of the roles normally assigned to alkali-numbered artificial additives.

She says: "It is not yet maximised and gravita impacts a creamy homely appearance and stops solids separating. It acts as a natural emulsifier giving body to mayonnaise and salad creams and it has a vital role as an stabilizing agent in pies, burgers and sandwiches."

Saving heat from the drain

LESS ENERGY will be lost

down the drains of industrial

and domestic premises according to Raychen, the US-based materials specialist, of

RHM Ingredients.

It is able to save 10 per cent

on heating bills by wrapping

round hot water service pipes before the insulation is applied.

Pipes between hot water tanks and base remain full after use, and as water cools down, it will be forced up as

heat by the next user as he waits for it to run hot again.

Savings can be made, says

Raychen, by applying just

enough heat to keep up the

temperature of the water so

that it is used next time. The

company makes a tape which,

connected to the electrical

system is able to regulate itself

to produce a specific temperature. Thus, no more electricity

than necessary is consumed.

Known as BWAT, the tape

has a resistive core between

two wires. The core expands

when the temperature rises,

increasing the resistance and

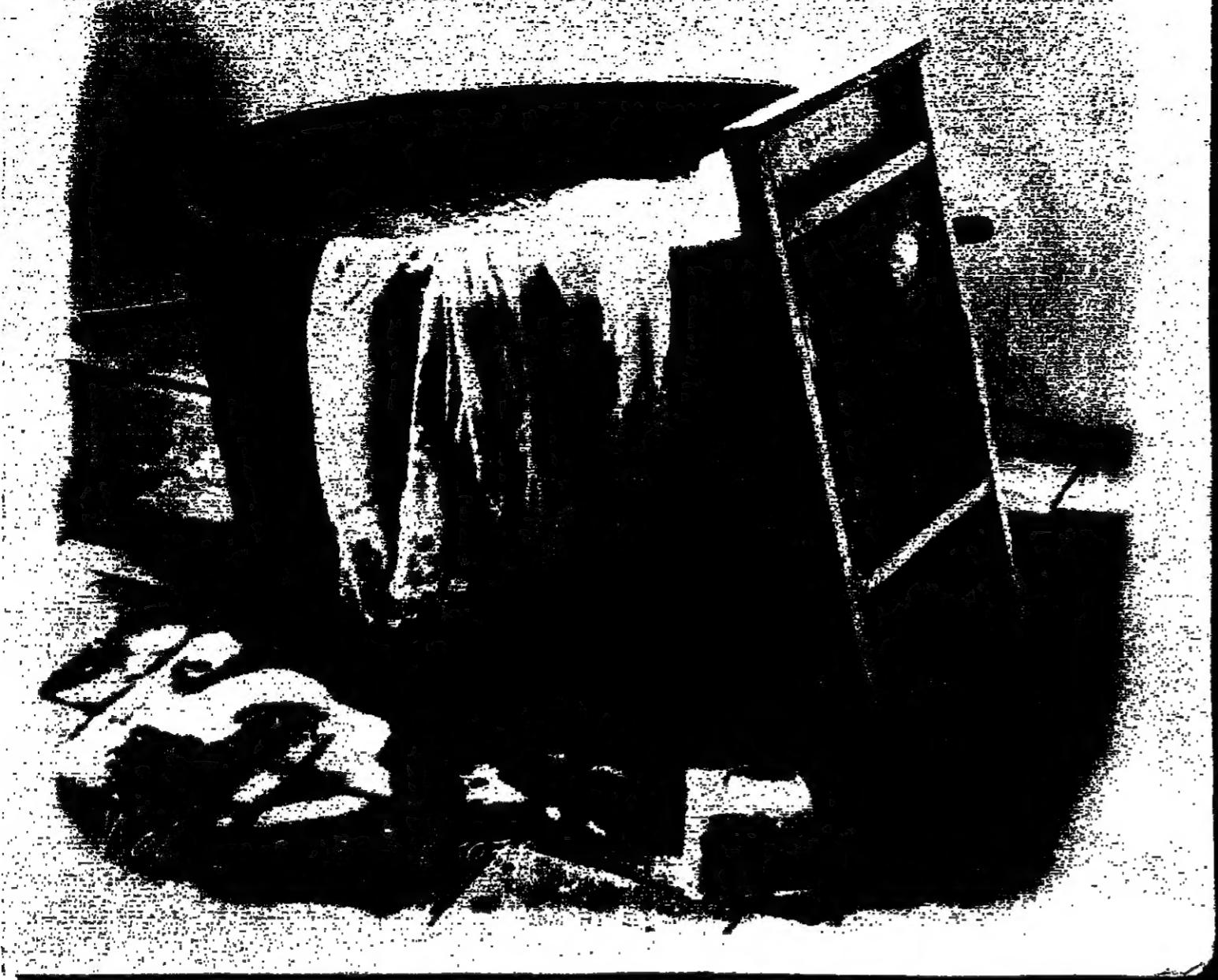
cutting the current.

The taming of mustard

Mustard is about to lose its bite at RHM Ingredients, Syrapiles of London, part of the Rank Hovis McVitie group. Food scientists there have discovered that if the mustard's sting is removed by chemically de-activating the enzyme responsible, the resulting substance can be used to improve the texture of many condiments foods.

At present, mustard seeds or mustard flour, the pacified mustard can perform many of the roles normally assigned to alkali-numbered artificial additives.

She says: "It is not yet



## FIFTY YEARS AGO WE INVESTED IN DETERGENTS. NOW WE'VE GOT OUR OWN SHOP.

Some 50 years ago Shell Chemicals first tackled the wash day blues.

Ironically we cracked it with crude oil (a filthier, more staining substance it would be hard to find).

But we found that, when crude oil is distilled, a waxy residue can be extracted. By cracking this residue we found we could produce (wait for it) straight chain olefins, recognised building blocks in carbon chemistry.

Further processing resulted in Teepol, the

first petrochemical-based synthetic detergent for commercial use. It was 1942.

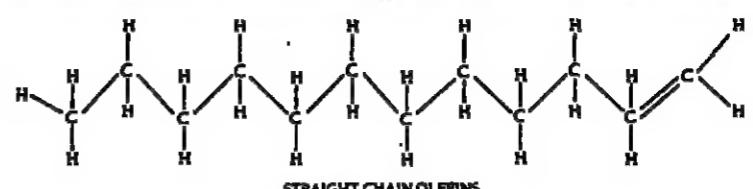
In 1948 we introduced Dobane, a hydrocarbon oil for use in household detergents. (Indeed, makers of domestic laundry detergents still use current grades of Dobane as one of the key ingredients in their varying brand formulations.)

In 1965 we discovered a new catalyst which meant we could use olefins to produce detergent alcohols, opening up new possibilities for toiletries and shampoos.

Then it happened. In the Seventies came the oil crisis. Suddenly wax cracking became

too expensive as the price of a barrel of oil went through the roof.

Again we cracked it, in 1982 we opened our own SHOP (Shell Higher Olefins Process)



at Stanlow Refinery in Cheshire. Instead of wax cracking, this unique process is based on ethylene derived from ethane gas from our North Sea oil and gas fields.

Needless to say the North Sea provides a secure source of ethylene on our doorstep.

Ethane is piped to the Fife Ethylene Plant at Mossmorran where cracking takes place.

With a new catalyst, ethylene allows us to produce olefins of very high purity through SHOP. By means of a second catalytic step we can actually tailor individual product packages to match a wide range of market needs.

Together with our sister plant in the U.S.A.,



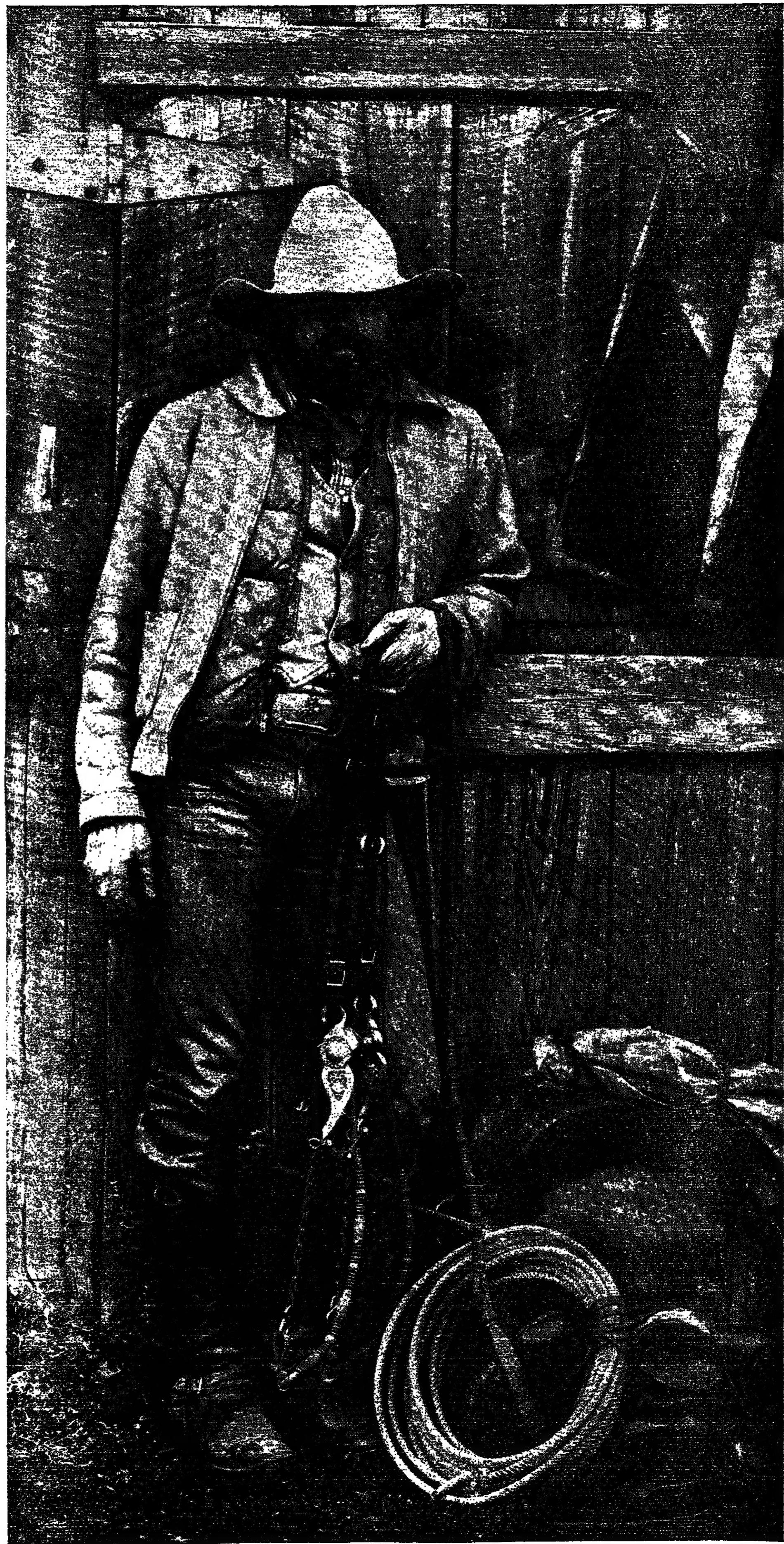
it all means that now, 50 years after we first took stock of detergents, our customers can be sure our shelves will never be empty.

 **Shell Chemicals**

SHELL CHEMICALS UK LTD. 1 NORTHUMBERLAND AVENUE, LONDON WC2N 5LA.



If you rounded up  
every pair of blue jeans  
in the world,  
you'd find that the dye  
for one pair in four  
came from ICI.



World Class

ICI manufactures in 40 countries and sells to over 150.

We've  
just taken  
true super-  
computing  
to an  
unheard-of  
level.

# Departmental.

## INTRODUCING THE ETA10-P SUPER- COMPUTER.

### AWESOME PERFORMANCE AT AN AFFORDABLE PRICE.

Thanks to ETA Systems, Control Data's supercomputer company, we've taken the technology of the world's fastest supercomputer - the ETA10 - joined it to the revolutionary manufacturing methods of ETA, and created the first true supercomputer a department can afford.

We call it the ETA10-P.

#### THE P STANDS FOR PERFORMANCE, ULTRA PERFORMANCE

The ETA10-P offers a processing speed of 375 megaflops. That's as fast as the first generation Class VI machines. That's 30 times faster than a well-known, similarly configured mini-super. And over 100 times faster than today's most popular super-mini.

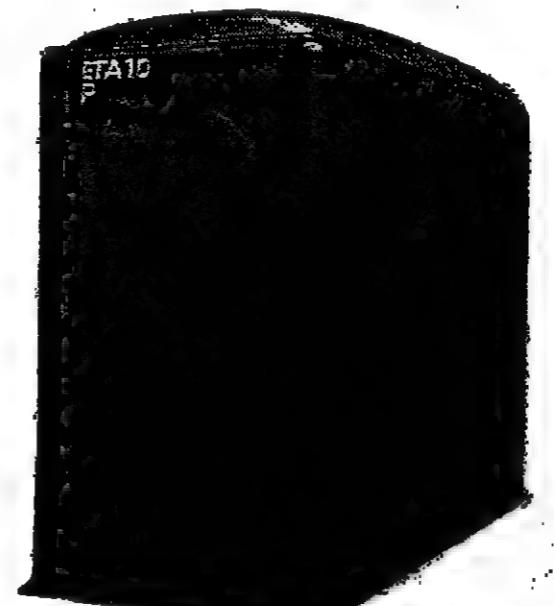
Yet an ETA10-P CPU is priced at an incredibly low \$850,000. And a fully operational ETA10-P, including a CPU, disk, IOUs and software, is only \$995,000.

For you, the implications are tremendous. You get incredible power without the incredible price.

And now even the most massive computational problems like fluid dynamics, structural analysis, crash simulation and weather forecasting can be performed faster and with greater precision than ever before, thanks to the ETA10-P's extraordinary technology.

This technology utilizes the highest density circuitry in the world. It eliminates miles of wires, connections and potential problems.

The result is a machine of incredible speed and unheard-of reli-



**ETA SYSTEMS**  
A Control Data Company

ability. A supercomputer so compact it slips through a 30" doorway and right into your department.

A true supercomputer that installs in two hours and offers you low energy consumption and low maintenance costs. Because it's air-cooled.

#### AND THE ETA10-P IS JUST THE BEGINNING.

Because the ETA10-Q, an air-cooled supercomputer that's even

faster than the P model, is also being announced.

Together with the present ETA10 machines - the liquid nitrogen cooled ETA10-E and the fastest supercomputer in the world, the ETA10-G - the new P and Q models help create the only complete line of supercomputers in the industry.

Each model is available with single or multiple processors. In fact, there are 44 different configurations.

The result is a continuous family of processors with an unprecedented 27 to 1 performance ratio - that's the largest operating range in the business.

Each model also offers you an exceptional price/performance ratio.

And because they all share the same operating system, they provide you with what you need most:

#### A COMPLETELY COMPATIBLE GROWTH PATH TO TOMORROW.

But for today, the news is the ETA10-P. Super power without the super price. Monumental performance for departmental people.

We invite you to learn more about the remarkable new ETA10-P supercomputer and the incredible impact it will make on your department. And on your company.

Call your local Control Data sales office for complete information.

We've just taken true supercomputing to an unheard-of level. And we want you to hear all about it.

Austria Vienna (0)222-787511 Belgium Brussels (0)2-2421080 Denmark Copenhagen (0)1-310022 Finland Helsinki (0)0-6926121 France Marne la Vallée (0)1-60059202 Israel Tel Aviv (0)3-422311 Italy Milan (0)2-21741 The Netherlands Rijswijk (0)70-119911 Norway Oslo (0)2-151400 Portugal Lisbon (0)1-693700 Spain Madrid (0)1-4560004 Sweden Stockholm (0)8-7520020 Switzerland Zurich (0)1-2421434 United Kingdom Uxbridge (0)1-8481919 West Germany Frankfurt (0)69-63050

**CD** CONTROL DATA

ETA and ETA10 are registered trademarks of ETA Systems, Incorporated. 7032 © 1987 Control Data Corporation.

## UK NEWS

OUTLOOK FOR JOBS BEST FOR A DECADE, SAYS MINISTER

## Unemployment dips to 5-year low

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

BRITAIN'S unemployment total fell last month to its lowest level since 1982. Mr Norman Fowler, Employment Secretary, said that the outlook for the unemployed was now the best for a decade.

The favourable impact on the labour market of the sharp acceleration in economic growth this year was also reflected in a strong rise in the number of people in employment.

Mr Fowler said that in particular, there had been a "remarkable improvement" in job prospects for young people.

Yesterday's news from the Department of the Employment reinforced the picture of a buoyant economy provided earlier this week by the Office for Statistics that manufacturing output is now rising by an annual rate of between 5 and 5½ per cent.

The Department said that its seasonally-adjusted count of benefit claimants fell by 54,000 in September to stand at 2.775m.

The decline marked a further acceleration in the downward trend seen since the middle of last year.

In parallel, there was another steep rise in the number of vacancies reported to job centres. The total of 295,000 vacancies on offer in September was over 20 per cent higher than a year earlier.

In an unusually lengthy statement accompanying the figures, Mr Fowler said that there were now fewer jobless school-leavers.



ers than at any time since 1974 - a reflection of both the extension of the Youth Training Scheme and a more general buoyancy in the labour market.

There had also been a record fall in the number of long-term unemployed, although further reductions remained both a major challenge and a priority for the Government.

He gave a warning, however, that prospects for the future would be threatened by excessive wage settlements.

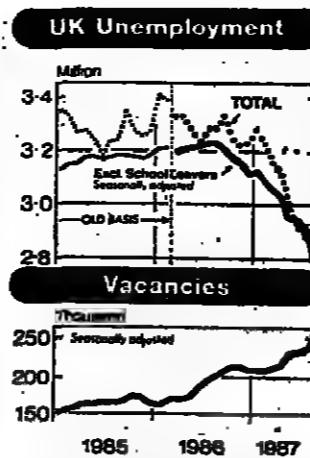
Mr Michael Meacher, Labour's employment spokesman, said that he welcomed the latest fall in the figures, but he feared it was not based on firm foundations.

"A steady increase in employment cannot be sustained by a short-lived consumer credit boom," he said. At the same time the number of young people on the unemployment register would double overnight if it were not for special schemes which were clearly not leading to jobs.

The credit boom has doubled people's reliance on debts since 1979," he added.

"But manufacturing, research and development and training, on which long-term growth depends, have all fallen over the same period."

However, the exceptionally good figure follows a period since the beginning of this year during which stoppages have greatly increased.



the pace of job losses in manufacturing and continuing strong rises in employment in service industries.

A rise of more than 1.3m jobs in the economy since 1983 means that the employed labour force now stands at its highest level for seven years, but remains below the level seen in 1979.

The number of working days lost through strikes and other disputes in August was, at 30,000, the lowest in any month since 1948.

During the exceptionally good year, which amounted to 134,000 in the second quarter of this year, reflects a slowdown in

## Stronger economy lifts labour market

BY OUR ECONOMICS CORRESPONDENT

YESTERDAY'S employment statistics suggest that the strong growth of the economy - currently rising at an annual rate of around 4 per cent - is translating into a significant improvement in the labour market.

Manufacturing companies are laying off fewer workers and employment in service industries is growing strongly.

At least part of the fall of 405,000 in the number of benefit claimants over the past year also reflects the tighter controls on claimants operated through the Restart scheme for the long-term unemployed and through a new availability for work test.

The employment department said that the seasonally-adjusted claimant count fell to 2.775m in September, marking

the 15th consecutive monthly fall. On the new basis of calculation introduced by the Government last year, that represented 10 per cent of the workforce.

On average, the unemployment rate has fallen by 1.5 percentage points during the last 12 months, with the decline spread relatively evenly throughout England, but with Northern Ireland and Scotland doing less well.

There has been little erosion of the wide disparities in jobless rates between different regions. A rate of 7 per cent in the south-east of England last month compared with 18 per cent in Northern Ireland, 18 per cent in Scotland, and 14 per cent in the north of England.

The recent economic boom in East Anglia is reflected in a jobless rate of 7.3 per cent.

Employment has now risen in every quarter for four years. Including the department's rough estimate of the numbers of people moving into self-employment, the number of people in work is 1.3m higher than in March 1983. It is still, however, about 520,000 lower than during the last economic peak in 1973.

Of the new jobs created, the Government estimates that the bulk are part-time and most have been taken up by women. The number of men in work has gone down into 1.03m jobs for women, of which 584,000 are part-time, and 358,000 for men, of which 194,000 are part-time.

As manufacturing output has accelerated, the number of job losses has fallen from a monthly average of 16,000 in the three months to August 1986 to 3,000

Rectification\*

## Tories and Saatchi set to part company

BY TERRY DODSWORTH AND DAVID THOMAS

By Peter Macdiarmid

SAATCHI & SAATCHI, the world's largest advertising agency, is to part company with its most senior account, the Conservative Party, which is worth \$4m in election year.

The move follows months of speculation that Mrs Margaret Thatcher, Prime Minister, and some of her advisers were unhappy with work done by Saatchi during the recent general election campaign.

In particular, she was known to be upset at the success of the Labour Party's campaign which was handled by a group of senior advertising executives who volunteered their services.

Saatchi, which has handled the account for nine years, refused to comment last night on reports that it was about to resign the account. Conservative Central Office declined to comment last night.

However, Saatchi is understood to have written to Central Office resigning the account at a "mutually convenient time".

Saatchi is also understood to be telling clients and staff that there are areas of "conflicting interest" within the account. It has interests, for example, in satellite broadcasting which it believes would be incompatible - because of its strict regulation - with it continuing to handle the Tory party's advertising.

Advertising has helped to keep Saatchi in business, but it is not the only factor. The company's advertising revenue was £100m in 1986, while its profits were £10m. It has also helped to develop this morning in an attempt to head off a threatened strike over the recalculations of productivity bonuses.

The 3,500 manual workers at the plant will start an indefinite strike from 4pm today unless the company makes an improved offer. The workers voted for strike action by about two to one.

The meeting, involving 1,000 members from the plant and local

full-time officials, follows informal contacts over the past few days after talks on recalculating the productivity bonuses broke down on Tuesday.

However, there was little optimism last night that when it was losing money at Thomson it was losing money at the rate of around £1m a month, and although its trading position had improved in September, it was still faced with the need to adjust to ferocious price cutting. Prices on some of

its top of the range models have fallen by 10 per cent since the beginning of the year.

The rationalisation is aimed mainly at reducing stock levels and transport costs on its smaller portable models, where price competition is fiercest. To achieve this the company is transferring some of its electronic units which make up the inside of the small sets from its plant at Enfield, in North London to Gosport, Hampshire.

Transfer will mean job cuts of 900 at the plant. Gosport, where the company has invested heavily in final assembly in recent years, will lose 270 jobs, and there will be a further 20 redundancies in the group's plastic moulding facilities.

Ferguson will supply JVC with about 100,000 sets from its Gosport plant since February when the relationship began.

## Ferguson to cut workforce by quarter in rationalisation move

BY TERRY DODSWORTH AND DAVID THOMAS

By Peter Macdiarmid

Ferguson, the television manufacturing company which was sold to Thomson of France earlier this year, is to make almost a quarter of its workforce redundant as part of sweeping rationalisation measures announced yesterday.

The job cuts, which will involve 1,100 workers out of a total of 4,800, were triggered by trading losses and the withdrawal of JVC, the Japanese television company, from a licensing deal under which some of its European sets were made by Ferguson.

JVC said last night that it intended to build its own television plant in Europe as part of its aim to expand its activities in the region. The new plant, which will probably be in the UK, will be designed to produce at a much higher rate than the 200,000 sets a year which Ferguson

had been intending to make for JVC.

According to JVC, it will need to make its decision soon because Ferguson will continue to supply it with sets only until the end of the year.

Ferguson's rationalisation decision is the first significant move made by the company since it was acquired by Thomson in a £100m (\$148m) deal three months ago. Since then, Thomson has acquired the television manufacturing arm of General Electric of the US, putting

its top of the range models have fallen by 10 per cent since the beginning of the year.

The rationalisation is aimed mainly at reducing stock levels and transport costs on its smaller

portable models, where price

competition is fiercest. To achieve this the company is transferring some of its electronic units which make up the inside of the small sets from its plant at Enfield, in North London to Gosport, Hampshire.

Transfer will mean job cuts of 900 at the plant. Gosport, where the company has invested heavily in final assembly in recent years, will lose 270 jobs, and there will be a further 20 redundancies in the group's plastic moulding facilities.

Ferguson will supply JVC with about 100,000 sets from its Gosport plant since February when the relationship began.

Union officials said last night that when it was acquired by Thomson it was losing money at the rate of around £1m a month, and although its trading position had improved in September, it was still faced with the need to adjust to ferocious price cutting. Prices on some of

its top of the range models have fallen by 10 per cent since the beginning of the year.

The rationalisation is aimed mainly at reducing stock levels and transport costs on its smaller

portable models, where price

competition is fiercest. To achieve this the company is transferring some of its electronic units which make up the inside of the small sets from its plant at Enfield, in North London to Gosport, Hampshire.

Transfer will mean job cuts of 900 at the plant. Gosport, where the company has invested heavily in final assembly in recent years, will lose 270 jobs, and there will be a further 20 redundancies in the group's plastic moulding facilities.

Ferguson will supply JVC with about 100,000 sets from its Gosport plant since February when the relationship began.

Union officials said last night that when it was acquired by Thomson it was losing money at the rate of around £1m a month, and although its trading position had improved in September, it was still faced with the need to adjust to ferocious price cutting. Prices on some of

its top of the range models have fallen by 10 per cent since the beginning of the year.

The rationalisation is aimed mainly at reducing stock levels and transport costs on its smaller

portable models, where price

competition is fiercest. To achieve this the company is transferring some of its electronic units which make up the inside of the small sets from its plant at Enfield, in North London to Gosport, Hampshire.

Transfer will mean job cuts of 900 at the plant. Gosport, where the company has invested heavily in final assembly in recent years, will lose 270 jobs, and there will be a further 20 redundancies in the group's plastic moulding facilities.

Ferguson will supply JVC with about 100,000 sets from its Gosport plant since February when the relationship began.

Union officials said last night that when it was acquired by Thomson it was losing money at the rate of around £1m a month, and although its trading position had improved in September, it was still faced with the need to adjust to ferocious price cutting. Prices on some of

its top of the range models have fallen by 10 per cent since the beginning of the year.

The rationalisation is aimed mainly at reducing stock levels and transport costs on its smaller

portable models, where price

competition is fiercest. To achieve this the company is transferring some of its electronic units which make up the inside of the small sets from its plant at Enfield, in North London to Gosport, Hampshire.

Transfer will mean job cuts of 900 at the plant. Gosport, where the company has invested heavily in final assembly in recent years, will lose 270 jobs, and there will be a further 20 redundancies in the group's plastic moulding facilities.

Ferguson will supply JVC with about 100,000 sets from its Gosport plant since February when the relationship began.

Union officials said last night that when it was acquired by Thomson it was losing money at the rate of around £1m a month, and although its trading position had improved in September, it was still faced with the need to adjust to ferocious price cutting. Prices on some of

its top of the range models have fallen by 10 per cent since the beginning of the year.

The rationalisation is aimed mainly at reducing stock levels and transport costs on its smaller

portable models, where price

competition is fiercest. To achieve this the company is transferring some of its electronic units which make up the inside of the small sets from its plant at Enfield, in North London to Gosport, Hampshire.

Transfer will mean job cuts of 900 at the plant. Gosport, where the company has invested heavily in final assembly in recent years, will lose 270 jobs, and there will be a further 20 redundancies in the group's plastic moulding facilities.

Ferguson will supply JVC with about 100,000 sets from its Gosport plant since February when the relationship began.

Union officials said last night that when it was acquired by Thomson it was losing money at the rate of around £1m a month, and although its trading position had improved in September, it was still faced with the need to adjust to ferocious price cutting. Prices on some of

its top of the range models have fallen by 10 per cent since the beginning of the year.

The rationalisation is aimed mainly at reducing stock levels and transport costs on its smaller

portable models, where price

competition is fiercest. To achieve this the company is transferring some of its electronic units which make up the inside of the small sets from its plant at Enfield, in North London to Gosport, Hampshire.

Transfer will mean job cuts of 900 at the plant. Gosport, where the company has invested heavily in final assembly in recent years, will lose 270 jobs, and there will be a further 20 redundancies in the group's plastic moulding facilities.

Ferguson will supply JVC with about 100,000 sets from its Gosport plant since February when the relationship began.

Union officials said last night that when it was acquired by Thomson it was losing money at the rate of around £1m a month, and although its trading position had improved in September, it was still faced with the need to adjust to ferocious price cutting. Prices on some of

its top of the range models have fallen by 10 per cent since the beginning of the year.

The rationalisation is aimed mainly at reducing stock levels and transport costs on its smaller

portable models, where price

competition is fiercest. To achieve this the company is transferring some of its electronic units which make up the inside of the small sets from its plant at Enfield, in North London to Gosport, Hampshire.

## UK NEWS

## US group funds £20m Oxford brain research

BY DAVID FISHLOCK, SCIENCE EDITOR

SQUIBB, the US pharmaceutical group, is funding £2m of basic research in brain chemistry at Oxford University under an agreement which gives the company preferential rights to the results of designated projects.

The agreement is for seven years and includes the cost of a new facility for neuroscience research in Oxford until 1991. It is one of the largest industrial research contracts placed with an academic institution.

Squibb will be funding research associated with five areas of neuroscience - senile dementia, epilepsy, psychosis, blood pressure control, and control of the peripheral autonomic nervous system.

In return, the company gains research in the first five areas.

Sir Patrick Neill, vice-chancellor of Oxford University, said the university hopes "to raise £20m through a public appeal, partly through industrial investments of this kind."

He said it was the kind of funding the Government had been urging universities to seek. They had received assurances that success in securing such funds would not lead to cuts in government support.

Dr Charles Sanders, executive vice-president responsible for Squibb's science and technology, said if Oxford's research led to new chemicals of potential commercial interest as drugs, the company would set up complementary facilities at its institute for medical re-

search in Princeton, New Jersey, to develop the compounds.

The agreement contains an understanding that research of interest to Squibb will not be published until patents have been applied for, Dr Sanders said.

Professor David Smith, head of Oxford's department of pharmacology, said this was "absolutely the right approach".

He said the university had more than 160 scientists studying various aspects of the nervous system and his own department was the focus of a lot of this research. But its work had been severely curtailed by shortage of laboratory space.

Oxford is at the forefront of research into the discovery of a new class of natural chemicals participating in brain activity.

He said: "If you can't make something which initiates or inhibits the firing of a brain cell, to release an electrical impulse, there is a third class of chemicals which modulate the action of the other two classes."

About 50 natural modulating agents have recently been identified, opening opportunities for synthetic mimics which might exert a more subtle action on nervous diseases than drugs in use.

Prof Smith said that many laboratories were studying modulation, but his own department might be unique in focusing on it. "Other people are probably doing it more by accident than by design."

Ambulance design defects criticised in union report

BY DAVID BRINLEY

A REPORT published yesterday identifies "inherent" relative weakness in the design of a modified vehicle commonly used as an ambulance by health authorities.

The report also criticises Department of Health and Social Security guidelines which advocate replacement of ambulances only after seven years or 160,000 miles. The DHSS recommends replacement of vans after five years.

Assessment of the Bedford CF260 ambulance was commissioned by the National Union of Public Employees after five cases this summer when wheels fell off vehicles of this type operated by the Devon Ambulance Service.

The union says similar accidents had previously occurred to CF260s operated by at least six other services. Devon ambulance crews have been refusing to use their 54 CF260s since a

## LAW SOCIETY CONFERENCE

## President warns over mixed partnerships

BY RAYMOND HUGHES IN VIENNA

If SOLICITORS were allowed to enter partnerships with members of other professions it would be essential for them to have majority control, Mr Derek Bradburn, Law Soc president, said yesterday.

In a keynote speech to the society's conference in Vienna he indicated his support for mixed partnerships, but said the crucial factor was control.

Only if solicitors were in charge could they control delivery of the partnership's legal services and ensure maintenance of professional standards, he said.

The law of mixed partnerships, as a means of surviving in an increasingly competitive world has divided solicitors. It will be debated by the conference today.

A decision one whether to amend the society's rules to enable solicitors to establish professional alliances with, for example, accountants or estate agents, is expected by the end of the year.

Mr Bradburn said it was essential solicitors should not let themselves be bullied into decisions by pressure from over-commercially-oriented groups of solicitors, those who wanted to retain the status quo or even from "such bodies as the Office of Fair Trading".

He said solicitors' attitudes to client relationships were significantly different to those of other professions. "Chartered accountants, for instance, have very different ideas about con-

cerns requirements."

However, there was still plenty of work - and money - to be made even by small firms. It was a fallacy that all the money was being made by the big City firms, Mr Andrews said.

"Boutique firms with a high level of expertise, a readiness to explore new areas of practice - such as financial services and consumer protection - and an intelligent approach to marketing could be highly profitable."

"We are losing our grip. We have allowed predators to take over our work because we have not kept abreast of our cli-

## Gains tax should go say landowners

BY RICHARD WATERS

CAPITAL GAINS TAX should be replaced by a tapered income tax that would hit short-term gains hardest, the County Landowners Association said yesterday.

The association, which has

## Government 'must do more' to ensure wider share ownership

BY HUGO DIXON

THE GOVERNMENT and the securities industry need to do more if the "seed" of wider share ownership is to germinate, a director of Quilter Goodison, the London stockbroker which has pioneered share workshops, said yesterday.

Mr David Franks, a director of Quilter's retail division, said that the Government had already largely done its part through legislative changes and privatisations.

Franks added his voice to those who have argued that personal equity plans should be made more attractive by allowing some form of upfront income tax relief on the lines of France's Loi Monory.

Speaking at a Financial Times conference on retail financial services, Mr Franks said the short-term gains, particularly in stocks and shares, had provided half of the CGT for 1982-83, the last year for which figures are available.

The CGT exemption of £5,000 should be kept to protect small shareholders.

The association, which represents 43,000 landowners, claims many of its members are sitting on inflationary gains made in the 1970s which they are unwilling to realise because of CGT.

"How can the fact that 18.5 per cent of the adult population holds shares but only 5 per cent hold unit trusts be justified?" Mr Franks asked. "It is the wrong way round."

He said that before Taurus, the computer system planned for registering securities, could come on stream to help this problem, certain aspects of company law would have to be changed.

Several other elements were needed to spur on wider share ownership, Mr Franks said.

First, more people would have to be encouraged to advise on share dealing and qualify as registered representatives.

Second, the status of retail

stockbroking would have to be raised. Third, the industry would have to start marketing itself.

Sir John Read, chairman of TSB Group, stressed the importance of putting customers first in the provision of financial services. He hinted that one way of doing this would be to start opening banks on Sundays.

Mr Scott Durward, chief general manager of the Alliance & Leicester Building Society, argued that competitive pressures were likely to lead to more and more mergers in the building societies movement.

"By the year 2000 we could well see fewer than 20 building societies left, perhaps 10 large national societies and 10 smaller, but strong regional societies.

On the other hand, by the year 2000 there might not be any mutual building societies at all, because we will be called something else - savings banks or mortgage banks or licensed deposit takers."

Mr Seymour Fortesque, Barclays Bank's director for UK retail services, pointed out how profitable the mortgage market had become for banks over the last year.

Mr Russell Higgs, president of MasterCard International, the credit card company, argued that credit card spending was giving a boost to the UK tourist industry.

## Poor exports likely to curb economic growth, says study

BY JAMES BUSH

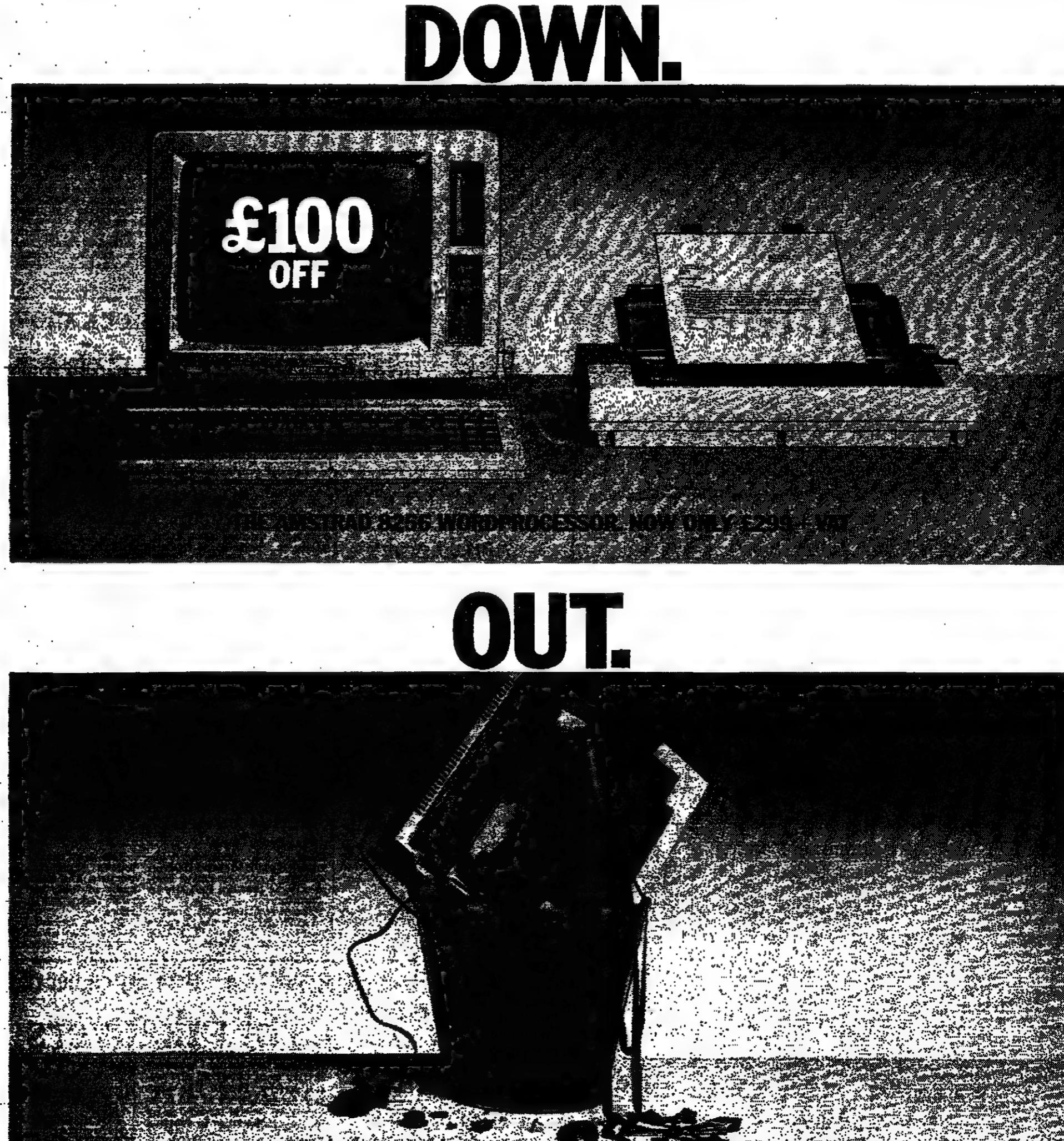
THE KEY THREAT to future growth in the British economy looks likely to come from a sluggish export performance, according to the latest economic outlook by Wharton Economic and Financial Information Services (WEFA).

WEFA forecasts real gross domestic product growth of 3 per cent in 1988, 2 per cent this year, but only about 2 per cent next year.

The depreciation of sterling last year and strong productivity growth should produce export growth in manufactured goods of more than 6 per cent this year. However, WEFA argues that the effect of sterling's depreciation is effectively over and notes that export volumes in manufactures actually declined in the first half of this year.

At the same time, the current consumer boom and recovery in fixed investment spending which have provided the engine for this year's relatively fast economic growth are expected to continue next year, keeping imports buoyant.

WEFA forecasts a very modest current account deficit this year of £16bn, but a shortfall of more than £20bn in 1989. The current account deficit is projected to worsen until 1991, when a



## Clients now shop around

SOLICITORS HAVE to adapt to the fact that their clients are becoming increasingly sophisticated, and inclined to shop around for legal services, the conference was told yesterday.

Quality and speed of service were criteria by which solicitors were being judged by clients: whose life-long loyalty could no longer be guaranteed in a competitive world, said Mr David Andrews, a practice management consultant.

"We are losing our grip. We have allowed predators to take over our work because we have not kept abreast of our cli-

ents' requirements."

However, there was still plenty of work - and money - to be made even by small firms. It was a fallacy that all the money was being made by the big City firms, Mr Andrews said.

"Boutique firms with a high level of expertise, a readiness to explore new areas of practice - such as financial services and consumer protection - and an intelligent approach to marketing could be highly profitable."

It was essential for solicitors to plan to make the best use of their human and technological resources, Mr Andrews said.

The Amstrad PCW 8256 wordprocessor is down to just £299 plus VAT.\*

It comes complete with monitor, disc drive, keyboard, printer and word processing software. Which poses a prob-

lem for our competitors. Now that we've knocked £100 off our 8256 wordprocessors what will their typewriters be reduced to?

**AMSTRAD**

Amstrad plc, PO Box 462, Brentwood, Essex CM14 4EF.  
Telephone: (0277) 262326.

Available through A.D.T. • ALDERS • COMET • COMMERCIAL OFFICE EQUIPMENT • CURRYS • DIXONS • ELETAC • FIRST SOFTWARE • HILL INTERNATIONAL • HUGH SYMONS • JOHN LEWIS • LASKYS • MBS • METYCLEAN • MICRO PERIPHERALS • NORBAIN • NORTHAMBER • OFFICE INTERNATIONAL • P & P • RYMAN • SANDHURST • VSTEC • WILDINGS

\*Recommended retail price at £399.99 + VAT (£458.95 inc. VAT). Reduced to £299 + VAT (£343.85 inc. VAT) from 23.9.87. Prices subject to change without notice.

Please send me further information about the PCW 8256

NAME \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

POST CODE \_\_\_\_\_

TELEPHONE \_\_\_\_\_

FT 15.10

## UK NEWS

## Furniture group bought by managers for £80m

By CHARLES BATCHELOR

NINE SENIOR executives of Moores Furniture Group, a privately-owned maker of fitted kitchens, have acquired the company in a management buy-out worth £80m.

Mr Fred Davies, 46, chief executive, said the buyout was put together in less than two weeks after the management realised it could outbid the six trade potential buyers interested in acquiring the company.

Moores made a pre-tax profit of £3.4m (adjusted) for year ending last year, up from turnover of nearly £20m. It employs more than 900 at its factories in Wetherby, Yorkshire, and Newton Aycliffe, County Durham.

The company is a leading supplier of kitchen furniture to private sector housebuilders

claiming a 15 per cent market share. It claims a 35 per cent share of the public sector housing market and has a 5.6 per cent stake of the retail market, supplying shops displaying fitted kitchens. It supplies flat pack bedroom furniture to Texas Homecare.

The managers plan to take Moores public in a year or two. The company was set up in 1945 by Mr George Moore.

The management team is putting up £100,000 each as a stake in the business which could rise to 15 per cent if optimum performance is achieved.

The final details of the financial package still have to be agreed but Sir ICI investors in Industry, which led the negotiations, said there would be

£25m-£30m of secured long term "senior" debt, £15m of mezzanine funding (comprising unsecured loans carrying a premium rate of interest) and up to £40m of equity.

The details of the package will depend on the syndication agreement Sir ICI reaches with the investors providing the loan and equity capital.

The entire deal has been underwritten by Sir ICI which claimed it was the largest "bought deal" bought undertaken by a single UK institution.

In a bought deal the lead institution puts up all the finance and syndicates a large part of it later to other investors. This technique allows deals to be put together quickly. Sir ICI expects to complete the deal on November 12.

## T & N signs car exhaust deal

By JOHN GRIFFITHS

A LICENCE and manufacturing rights agreement for car engine technology said to be capable of meeting new European exhaust emission standards without any form of catalyst was signed yesterday between Britain's T & N group, formerly Turner & Newall, and Sonex Research of the US.

The technology, which has been under development for several years, has reached the stage where "it can quite genuinely be presented to car manufacturers" as a means to allow them to meet the standards without resort to catalysts, said Mr Colin Hope, T & N's group managing director.

The EC standards, which restrict the amounts of nitrogen oxides and other pollutants which may be emitted by car engines, are due to start coming into effect in 1990 for cars of between 1.4 and 2 litres - the engine capacities in which the two companies' research work has so far been concentrated.

The technology, conceived by Sonex, of Annapolis, Maryland, has been claimed as offering a generic solution to the problem of meeting the standards at a projected cost of \$20 a unit or less.

Costs of a full three-way catalytic system for cars in these en-

gine capacities are projected at £300-£400, although Toyota is shortly to put into production a "lean-burn" engine also said to be capable of meeting the standards, possibly with the help of a simple oxidation catalyst.

The agreement, which follows collaboration between T & N Technology and Sonex, gives T & N exclusive rights to make pistons and other high-technology components for the system.

T & N already sells pistons to most large vehicle producers through its technology subsidiary, which was known as AE Developments until T & N's successful takeover last year of AE

Developments until T & N's suc-



## ENJOY CANADA'S WIDE OPEN SPACES LONG BEFORE YOU GET THERE

You'll discover our wide open spaces the moment you step onto our regular Executive Class flights to Toronto or Montreal.

The seats are specially contoured, each has its own footrest and plenty of room to work or unwind in.

The service is relaxed and friendly yet efficient. Everything you'd expect on a transatlantic flight, from complimentary drinks to an excellent programme of in-flight entertainment.

Discover Canada's wide open spaces every day of the week, starting at Heathrow.

For more details contact your travel agent, or ring Air Canada on 01-759 2636 from London, or 0800 181313 from anywhere else in the UK.



A BREATH OF FRESH AIR

## Peugeot Talbot may create 1,000 jobs

By KENNETH GOODING, Motor Industry Correspondent

THE PROSPECT of a substantial rise in jobs, possibly by 1,000, at the Peugeot-Talbot factory at Ryton, Coventry, emerged yesterday. Mr Geoffrey Whalen, managing director, said a second shift would be introduced in the spring for the first time for 12 years.

He said he was convinced the French-owned company would make a profit this year. For only the second time in 20 years, when half-year results were shown, a £2m net profit was made. With an £8.2m loss in the first half of last year, he had suggested break-even was the best that could be hoped for.

He said he was more optimistic because Peugeot had beaten sales targets this year, had sold more high-value models and continued to obtain better control of costs.

"I can now say that for the first time in 20 years we can look ahead - in 1988 - to regular and respectable profits," he said.

He would not estimate the number of jobs to be created by the second shift, because it would be a few weeks before a decision is made on whether Ryton will build the mid-sized Peugeot 405 for export as well as for the UK. The model went into full production at Ryton yesterday.

It is reasonable to assume that the shift would create about 1,000 jobs. This year 300 people have been recruited to help build the 405. In the past two years 200 people have been transferred from the nearby Stoke factory as production of cars for Iran was being run.

More than £50m has been invested at Ryton in the past three years. In the early 1970s the factory employed more than 8,000, but it now has a workforce of 2,100.

Ryton is producing 1,250 cars a week on a single shift, the maximum possible. Mr Whalen said: "I am optimistic that we will substantially fill the plant when we go to a second shift, but I don't expect we will reach the maximum of 2,500 a week next year."

Ryton made 48,000 cars last year, including 9,000 for export. Output will be about 46,500 this year, including 5,700 for export.

Mr Whalen said he hoped the 405, which has been designed to take 2 per cent of the UK car market next year and that by the end of next year the 405 would account for another 1.5 per cent. This suggests output at Ryton will be at least 80,000 units next year.

The British content of the two cars would be 65 per cent by ex-factory value, Mr Whalen said. Peugeot would spend several millions establishing a centre of excellence in Coventry, a plastics plant which will make dashboards for the UK-built cars.

## Oilfield group acquires two US companies

By JAMES BUXTON, Scottish Correspondent

THE WOOD GROUP, the privately-owned Aberdeen oilfield services company, has acquired two US companies in its drive to expand into markets outside the North Sea and acquire new technology.

It is paying \$4m (£2.4m) for the Wireline Products and Wireline Services divisions of Pengo Industries, which is quoted on the New York Stock Exchange.

The Wireline Products division, based in Fort Worth, Texas, is one of only three independent manufacturers of the electronic equipment used for monitoring or logging oil and gas wells, a sector dominated by five major companies and led by the US company Schlumberger.

Wood Group already owns another independent manufacturer of logging equipment, Petroleum Management of Houston, Texas.

The initial aim of the campaign is to convince Scots that the Labour Party, which won 50 of the 72 Scottish seats at the June general election, is unable to protect Scotland against Mrs Thatcher.

It is planned to pay £2m for the Wood Group's political activities.

The campaign is part of a radical plan which, over a few years, has transformed Stanlow from an inefficient and loss-making concern into a modern refinery.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The news was welcomed by unions representing Stanlow workers. The union have been many of their members there made redundant in the past few years.

The investment is part of a radical plan which, over a few years, has transformed Stanlow from an inefficient and loss-making concern into a modern refinery.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over the next two years, most of which Shell said would be filled locally.

The investment will provide up to 550 jobs over

## THE PROPERTY MARKET

# Busy time at British Land

**BRITISH LAND** has been busy. Properties have been moving in and out of the portfolio. Funds have been raised. Convertible bonds have been turned into equity. The market has liked the look of the shares and the price shows that a 50m share issue last December has been comfortably absorbed.

The disposals have helped to bone up British Land's cash resources over £100m of property deals with sales to other companies like Ransworth, just and Darro Estates and another 250m for Brighouse, the last of the industrial subsidiaries.

So it has looked as if British Land is giving up some grand initiative. Mr John Rithblat, the chairman since 1970, tends to discount any notions that the disposals have been abnormal.

Take the industrial interest first. "We've sold at the moment in the cycle when the return we can get on the money is not far removed from the returns of the industry." We'd taken out the business, kept the residual business and built up the goodwill, which is not in the balance sheet," he says. At the end of the day, British Land had made a capital profit.

Grange Park had been bought in 1984 for £11.5m as part of an industrial diversification policy. That phase has now finished with total industrial disposals worth nearly £55m against book values of £28m.

Now the properties. "We've been selling the trading stock," said Mr Rithblat. Even when trading properties was not as popular as it has now become,

as younger property companies rush to build up assets and property wholesalers like Mountleigh enjoy a vogue, British Land has held a trading stock of about 15 per cent of its portfolio.

"We've sold between 5 and 8 per cent of the portfolio every year. As we got bigger, the sales became larger, but the proportion has been the same," Mr Rithblat noted. But there is another point.

The property sales were "de-

velopments we've finished and

which have moved their par-

tially all of them were leasehold."

The sales though have to be set against the purchases over the last year or so - a 225m portfolio from Legal and General, the half share of the Euston Centre in London that it did not already own, plus three other buildings, from P&G for £25m. "I'm not sure what the market type that would interest the in-

stitions.

The upshot has been to gener-

ate cash "which you can put on

the street for 10 per cent" and the result has been sales near, or even at, the top of the market.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

folio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

folio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

set against the purchases over

the last year or so - a 225m port-

olio from Legal and General,

the half share of the Euston

Centre in London that it did not

already own, plus three other

buildings, from P&G for £25m. "I'm

not sure what the market type

that would interest the in-

stitions.

The sales though have to be

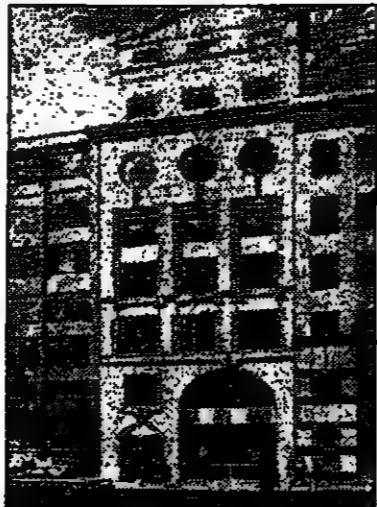
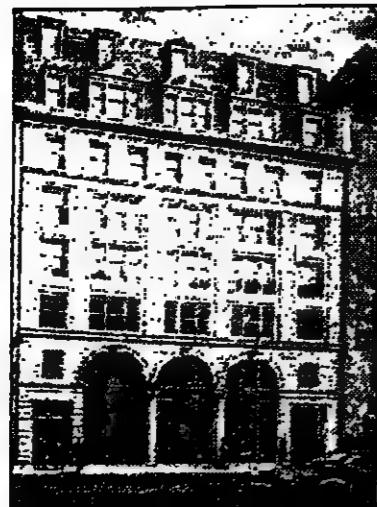
set against the purchases over

the last year or so - a 225m port-

**65 LEADENHALL STREET EC3**

**98 FENCHURCH STREET**

**NEW OFFICE DEVELOPMENT**



Completion Spring 1989

For Sale Freehold

Approximately 34,250 sq.ft. net



Gable House Estates Ltd.

A division of Ladbroke Group plc



Sinclair Goldsmith  
CONSTRUCTION  
MANAGEMENT  
CONSULTANTS  
01-920 9191



St Quintin  
CONSTRUCTION  
MANAGEMENT  
CONSULTANTS  
01-236 4040

## AUCTION

To be held on Tuesday 10th November 1987 at 3.00 pm, The London Auction Mart, 61/65 Great Queen Street, London WC2

### 16 FREEHOLD AND LONG LEASEHOLD COMMERCIAL PROPERTIES (unless previously sold)

Total Current Gross Income: £461,940 per annum

BALTIMORE Factory 15, Third Avenue, Bude, Cornwall - Total Gross Income £15,000

Large Freehold Industrial Investment in major industrial/warehousing areas with tenants such as Ciba-Geigy and Westland Helicopters. Half site coverage with our parking and large goods yards. Rent review 1992.

BUCKINGHAMSHIRE, 15/16 Albury Road, Gerrards Cross, HP5 1JL - Total Gross Income £12,000 per annum

Freehold Retail Investment in town centre location let to Woolworths plus佔ing Street & Simpson close to W.C. Smith, Debenhams, Prentiss Hardy & Willis. Large store with basement and two upper floors as well as rear access.

Rent review 1992.

CAMBRIDGE, 341 Midleton, Buntingford, Herts - Total Gross Income £10,000 per annum

Freehold Retail Investment. Major shopping centre, two modern industrial units with 8 parking spaces. Rent review from December 1989.

CHESHIRE, 26/27 Victoria Street, Droylsden - Total Gross Income £10,000 per annum

Freehold Retail Investment. Major shopping centre location opposite Delvershaw close to Marks & Spencer, Burtons and Currys. Two shops with basement and one with two floors of ancillary storage over. Rent review 1992.

ESSEX, 10 Park Lane, Chelmsford - Total Gross Income £10,000 per annum

Freehold Retail Investment. City centre. Let to Woolworths plc. Large shop with two floors to let. Close to Doulton, Lemmings and Tunnels with public parking to the rear. Rent review 1992.

GOODELL, 26/27 Ecclesberry Road, Huddersfield - Total Gross Income £10,000 per annum

Freehold Retail Investment. Town centre location let to Woolworths plc. Large shop with first floor offices. Ground floor retail and small general centre, pedestrian access providing parking to the rear. Opposite Marks & Spencer near Boots, Debenhams and the Halifax Building Society. Rent review 1992.

GRAYS, 43 High Street, Essex - Total Gross Income £10,000 per annum

Freehold Retail Investment. Highly reletting with first floor providing to the shop and self-contained flats to let, kitchen and bathroom renovations above. Adams House, 100 High Street, Grays - Total Gross Income £10,000 per annum

Include Dixons & Woolworths. Rent review September 1992.

HUTTON, 612/614 Leylands Road, London E10 - Total Gross Income £10,000 per annum

Freehold Retail Investment. Town centre location let to Woolworths plc. Large store with two upper floors of storage/office accommodation. Second frontage on High Road, Leylands. Opposite Coopers Corner, close to Boots, Remondis, Barclays Bank and the Halifax Building Society. Rent review 1992.

WICKENBURY, 24 Lansdown Road, Survey - Total Gross Income £10,000 per annum

Freehold Retail/Restaurant/Residential property with vacant possession is promised corner position adjoining National Westminster Building Society, close to Sainsburys, Waitrose and the local public house serving behind. Consent of removals shop will remain and can accommodate three rooms, kitchen and bathroom fit on the first floor. FULL VACANT POSSESSION.

NOTTINGHAM, 11 Mansfield, Nottinghamshire - Total Gross Income £10,000 per annum

Freehold Retail Investment. Town centre location in prominent corner position with rear access and parking. Large shop plus three upper floors to let in self-contained offices. Rent review 1992.

SASPHORN MILLDOWN, 26/28 High Street, Bexley - Total Gross Income £10,000 per annum

Freehold Retail Investment. Town centre let to Woolworths plc opposite Sashays close to the Co-op, Boots and Olivers. Large shop with basement storage and first floor staff accommodation. Rent review 1992.

SATURDAY, 4/6 High Street, Survey - Total Gross Income £10,000 per annum

The town centre with the best economic trading above (one with increased storage, new entrance and new Tills) occupies Middle Block close to Sainsbury's, Boots, Carpet and Shoe, and the Post Office. Rent review 1992.

SHREWSBURY, 27 Market Street, Shrewsbury - Total Gross Income £10,000 per annum

Freehold Retail Investment. In between I.W.S. and the Post Office opposite Town end of Shrewsbury. Timpsons, Dorn & Co, and Dunnes. Shop with two upper floors of storage/office accommodation and rear parking. Rent review 29 September 1987.

WELSHPOOL, 35, 36, 38 Broad Street, Powys - Total Gross Income £10,000 per annum

Freehold Retail Investment let to Woolworths plc. Ground floor and basement, first floor to Wills close to Boots, Carrys and Sashays. Large shop with ancillary accommodation on the first floor with side access from New Street. Rent review 1992.

WEST BROMWICH, 121 Bromwich Street, West Midlands - Total Gross Income £10,000 per annum

Freehold Retail/Office Investment in a commercial & civic area. Three floors of office space and ground floor shop. Rent review 1992.

WYKESFIELD, 4-6 Market Place, Wykeshall - Total Gross Income £10,000 per annum

Freehold Retail Investment let to Woolworths plc. In prominent market square position adjoining National Westminster Bank and the Anglo Building Society close to Dewsbury, Gomersal and Peter Donkin. Free public car-parking of over 100 spaces. Large modern ground floor shop with storage and offices above. Rent review 1992.

For further information contact our Auction Personnel.

**Edward Erdman**  
SURVEYORS  
01-629 8191

## Need money for property development?

£250,000-£10m+  
available.

If you're a landowner or developer seeking finance, you'll find Ryde Finance Corporation uniquely well qualified to help you.

We have been instrumental in developing thousands of residential properties and over a million square feet of commercial property, on both sides of the Atlantic.

We understand the problems and the possibilities.

We can provide venture capital that's tailor-made for the industry and share the risk with you.

Because of our knowledge of the business you'll find us very positive and very flexible.

You'll also find us very fast. Our finance is available immediately.

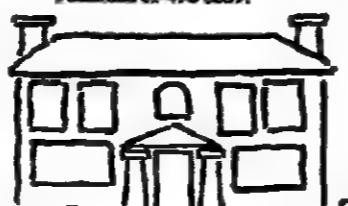
Our commercial judgement, corporate and taxation knowledge and established connections with professional advisers are all part of the service we offer.

To discuss your project, please contact Brian Rainbow, Andrew Speirs or Henry Fine on 01-493 6356.

# Ryde

RYDE FINANCE CORPORATION LTD

58 St James Street, London SW1A 1LD  
Facsimile 01-493 6359



DUE TO ABSOLUTE SALE KENSINGTON, W8

Newly converted block of 20 fully furnished apartments. Ideal for investment, own occupation or professional letting. Renting potential £400,000 p.a. plus.

Product SLL offices.  
Write Box 7657, Financial Times,  
10 Cannon Street, London EC4P 4BY

100% TAX INVESTMENTS HIGH QUALITY DEVELOPMENTS IN THE BETTER ENTERPRISE ZONES

Tel: John Fine on 01-806 7544  
or Harry Hayes on  
0444 451424  
TAIWANVEST PLC

ATTENTION

Solicitors, Accountants, Trustees  
Substantial Private Investor wishes to purchase  
residential and commercial property via  
Potential Capital Gain Tax, not treated as a liability in calculating value of company's assets.  
Send Details to Strategic Conference Services  
Box 7644 Financial Times, 10 Cannon Street,  
London EC4P 4BY

No. 10 South Avenue, Clydachan, Glasgow - a modern purpose built corporate headquarters or research and development centre finished to the highest standards of modern design. Served by some of the best communication facilities available today, the centre offers immediate access to the British Motorway system and, via Glasgow and Prestwick Airports, to the airline networks of the world. Amongst its many attractions No. 10 South Avenue is located in an area scheduled for high technology business related development and offers full enterprise zone status.

**N. 10 SOUTH AVENUE**

**N. 10**

**SOUTH AVENUE**

**10**

**SOUTH AVEN**

## US BUDGET DEFICIT

J H Makin spotlights the perils of Washington's 'spend now, pay later' policies

# Why the US must tailor its budget deficits

AMERICA AND the world will be especially in need of great leadership for the balance of the twentieth century. This is because we have, for at least the past 25 years, had skilful politicians misguiding us great leaders.

Nowhere has this distance between aspiration and realization been more clearly demonstrated than in America's five-year struggle to bring its spending into line with its income.

The new balanced budget law, advertised as a means to restore teeth to the 1985 Gramm-Rudman-Hollings law, does nothing of the sort.

It was ably described by Senator Pete Domenici of New Mexico, the ranking Republican on the budget committee, as "a six-year game plan to a balanced budget when we have no fixed target". In the first two years Senator Domenici opposed the proposal, although he was a strong supporter of the original Gramm-Rudman-Hollings law.

Everyone close to the American budget process knows that deficit cutting has been put aside until after next year's presidential election. The President made it official when he signed the new toothless budget bill on September 29.

Cleverly, Congress had sent its bill, titled as deficit reduction, to the President just as finance ministers and financiers from all over the world were converging on Washington for the annual meeting of the International Monetary Fund and World Bank.

The bill included a provision to increase the United States debt limit from \$2,300bn to \$2,800bn enough to accommodate Treasury borrowing into the first half of 1988.

By signing the bill, the President avoided having some of America's biggest creditors watch from ring-side seats in Washington as the Congress scurried to pass, in just three days, yet another debt ceiling



Warren Rudman (left) and Phil Gramm

assured that deficits will grow in 1988 and 1989.

First, it has specified that \$25bn in FY 1988 and \$30bn in 1989 are maximum amounts that can be sequestered. Second, it has specified that, prior to sequestration, the "sequester baseline" will be raised by amounts necessary to reflect inflation and to protect pay increases of US government employees.

The two provisions will virtually eliminate the impact on expenditure of the so-called sequester. If inflation runs at 5 per cent and the sequester base is \$30bn, the inflation adjustment alone adds \$1.5bn to the baseline. Add another 1 per cent, or \$1.5bn, to protect Federal pay for a total baseline adjustment of \$31.5bn and the maximum FY1988-\$23bn sequester cuts ends by a net of \$2bn.

There's more. In case the Congress does not like the outcome of the new, toothless budget bill, there is an escape clause by means of which it can modify the final Presidential sequester orders.

Sadness that the slippage is the extremely low probability that these "slipped" targets will not be met. Congress has virtually assured that deficits will grow in 1988 and 1989.

Within 10 days after issuance of the final sequester report,

the Majority leader in either the Senate or the House can introduce a joint resolution directing the President to modify the sequester order. This modification does not even go through the budget committee of the House or Senate.

What will Congress' abandonment of deficit reduction mean for US budget deficits over the next two years? Depending on the behaviour of interest rates, inflation and the economy, FY 1988 and 1989 deficits will lie in the \$180-\$210bn range.

True, the FY 1987 deficit at around \$155bn represents a sharp improvement from the \$221bn in 1986. But about \$30bn, over half of that cut, comes from one-time-off revenues tied to tax reform (about \$15bn due largely to a small increase in capital gains at the end of 1986) and asset sales, loan prepayments and spending shifts.

The 1987 deficit reduction was also aided by strong social security payroll tax receipts, lower than expected interest rates and continued modest economic growth.

Excluding the projected FY 1988 \$30bn in net revenue for social security, the budget deficit projected for 1988 by the Congressional Budget Office will be \$321bn. The social security surplus of \$35bn that should be earmarked for the retirement surge of baby boomers around 2015 should not be counted as revenue.

In fact, like the Japanese, America with its \$6,000bn unfunded liabilities to future recipients of social security should not count as revenue the \$35bn in 1988 payroll tax receipts which try to improve its fiscal position.

Such capital budget ideas touted earlier in this year's budget session were dropped once the liability side of America's balance sheet was examined.

The author is Director of Financial Studies at the American Enterprise Institute, Washington D.C.

ing which they lack the will to confront difficult yet urgent choices on budgetary matters, have chosen to pay later rather than pay now.

No doubt they have accurately measured the pulse of an electorate that, by its own behaviour, clearly demonstrates a preference to let its children pay later.

More than ever it seems that we shall await the worst possible time, a recession, to initiate measures aimed at deficit reduction.

At that time, the deficit will rise to about 6 per cent of a \$5,000bn GNP, or about \$300bn in 1989. The time for credible prospective deficit reduction measures will have passed and Americans will end up setting aside \$250bn a year just to pay interest on their government's debt.

Maybe the Congress really is trying to speed up deficit reduction after all.

The men and women in that reactive institution know that decisive measures are impossible without a real crisis. The Gramm-Rudman-Hollings "non-fix" of 1987 will result in higher interest rates that will help to speed up the onset of a recession.

The resulting budget crisis will generate some action to cut deficits after the recession. The cost of paying later will be an extra \$100bn a year in interest charges on the national debt, much higher taxes, and a choice between a significantly reduced leadership role for the United States in the world.

Americans and their allies around the world would do well to start thinking about that choice now. So, too, would the field of American presidential candidates since one of them will be confronting such choices in January of 1989.

The author is Director of Financial Studies at the American Enterprise Institute, Washington D.C.

*Essential information for corporate treasurers, financial directors, bankers, auditors and other advisers involved in the volatile financial market.*

**A NEW FINANCIAL TIMES PUBLICATION:**

## Corporate Currency Risk — A Reappraisal

by J. A. Donaldson

Following the success of the first edition of Corporate Currency Risk, published in 1980, the new revised and updated 2nd edition is now available.

Written by J. A. Donaldson — former group treasurer of ICI, this is very much a practical guide for all who are involved in the foreign exchange markets.

**WHAT THE PRESS SAID ABOUT THE FIRST EDITION:**

*The Banker* "Contains much sensible and down-to-earth advice... is a logical and comprehensive explanation of the principles of foreign exchange exposure management".

*The Treasurer* "The corporate treasurer in particular will find it an invaluable aide-memoire, helping to reduce the cost of forward cover and realistically forecasting exchange movements".

This new edition of **CORPORATE CURRENCY RISK** helps you in a number of significant ways in the management of currency risk:

- It identifies the main classes of foreign exchange risk
- Shows you how to avoid unnecessary foreign exchange risk
- Advises on how to make use of the various financial markets
- Provides guidelines on how to manage exposures
- Helps you negotiate more advantageous contracts
- Gives useful tips on the improvement of the quality of exchange rate forecasting

Completely revised and updated, this 2nd edition includes relevant and topical coverage on how to manage economic exposure, references to the futures and options markets, and new ideas on measuring management performance.

*Order your copy NOW by completing the attached form or contact the Marketing Department for further details.*

**ORDER FORM:** Please return to: The Marketing Department, Financial Times Business Information, 102 Clerkenwell Road, London EC1M 5SA. Tel: 01-251 9321. Telex: 23700.

Please note payment must accompany order. Prices include postage and packing.

Please send me \_\_\_\_\_ copy/copies of **CORPORATE CURRENCY RISK** at £27.50 UK/£32.50 US/\$49

I enclose my cheque for £/US\$ \_\_\_\_\_ made payable to FT Business Information.

Please debit my credit card (mark choice):

Amex  Diners  Access  Visa

Card No. \_\_\_\_\_ Card Expiry Date \_\_\_\_\_

I wish to order 5 or more copies. Please send details of bulk order discounts or telephone \_\_\_\_\_

(BLOCK CAPITALS)

Mr/Mrs/Ms \_\_\_\_\_

Title \_\_\_\_\_

Organisation \_\_\_\_\_

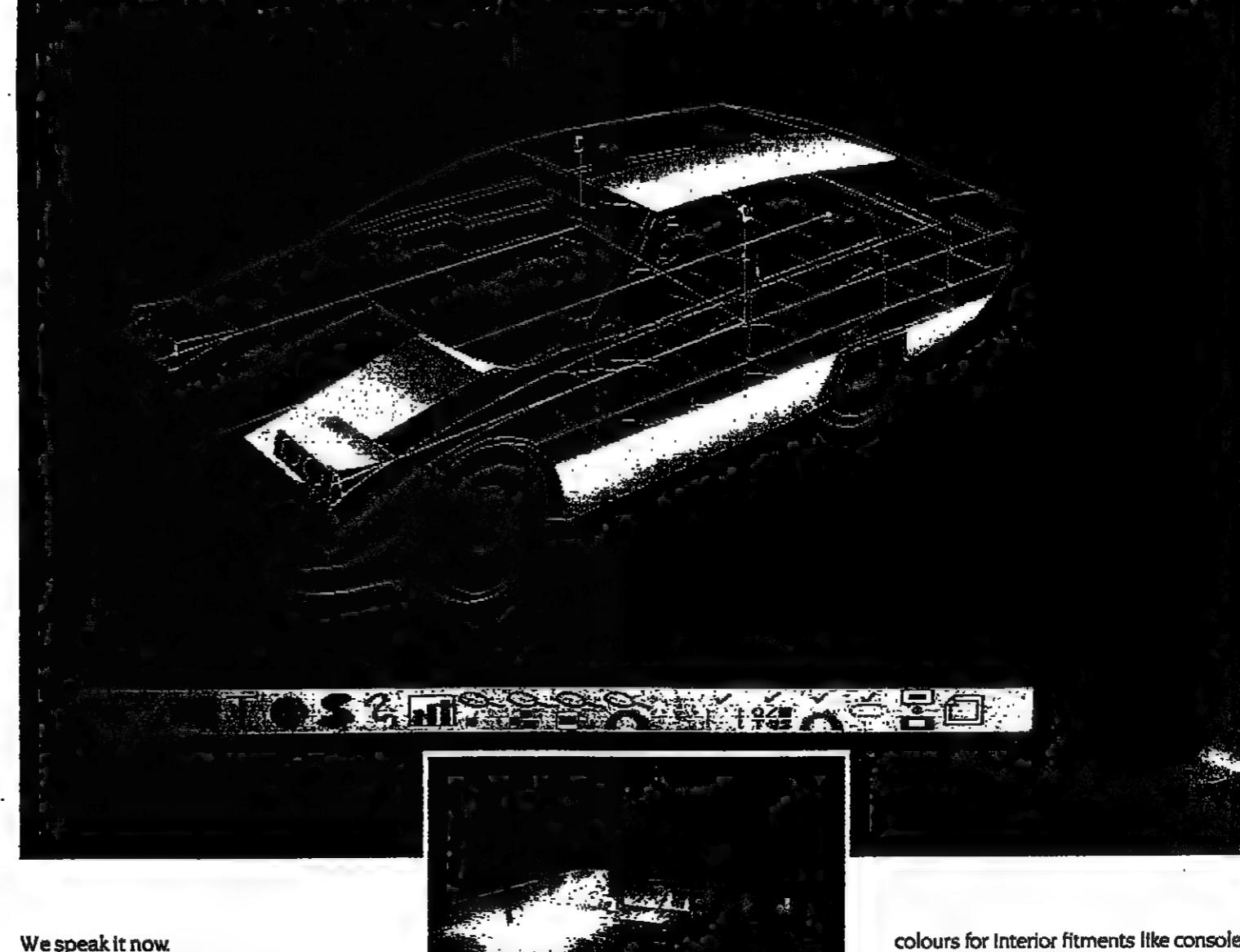
Address \_\_\_\_\_

Post Code \_\_\_\_\_ Country \_\_\_\_\_

Signed \_\_\_\_\_ Date \_\_\_\_\_

Please allow 28 days for delivery. Refunds will be given on books returned within 7 days of receipt and in good condition. FT Business Information Ltd, Registered Office: Bracken House, 10 Cannon Street, London EC4P 4BY. Registered in England No. 980896. FT

## Body language of the future



Notice of Redemption

### Weyerhaeuser Capital Corp. N.V.

#### 11 1/2% Guaranteed Notes Due 1990

NOTICE IS HEREBY GIVEN that, pursuant to Section 3.01 of the Indenture dated as of November 15, 1983 (the "Indenture"), among Weyerhaeuser Capital Corp. N.V. (the "Company"), Weyerhaeuser Real Estate Company (the "Guarantor") and Chemical Bank, as Trustee (the "Trustee"), the Company has elected to redeem and will redeem on November 17, 1987 (the "Redemption Date"), all of its 11 1/2% Guaranteed Notes Due 1990 (the "Notes"), at the redemption price of 101% of the principal amount thereof plus accrued interest to the Redemption Date.

On and after the Redemption Date, the Notes will become due and payable upon presentation and surrender thereof, with the November 15, 1988 and subsequent coupons attached at the office of Chemical Bank, 180 Strand, London or the principal offices of Chemical Bank in Paris, Frankfurt am Main and Zurich, or at the principal office of Banque Generale du Luxembourg S.A., in Luxembourg or Banque Bruxelles Lambert S.A., in Brussels.

Interest on the Notes shall cease to accrue from and after the Redemption Date and all coupons maturing on and after November 15, 1988 shall be void. Coupons maturing on November 15, 1987, should be detached and surrendered for payment in the usual manner.

Weyerhaeuser Capital Corp. N.V.  
By: Chemical Bank, as Trustee

Dated: October 16, 1987

We speak it now.

In advanced steels and steel composites to take the automobile well into its second century.

In precisely-engineered steels that will cost-effectively outperform alternative materials.

British Steel is already a major supplier to the multi-national automotive industry.

Responding positively to its changing demands.

Tenform high tensile steels are making it possible for designers to reduce body weight whilst improving structural strength and safety.

Zalutite, a new zinc/aluminium alloy coated composite, offers heat resistance of up to 315°C for many components, including exhaust systems.

Zintec, the electro-zinc-coated steel, provides a high level of corrosion resistance and a superb painting surface - in double and single sided forms.

And the organic-coated composites (Colorcoat pre-painted and Stelvite vinyl-laminated) offer a range of woodgrains, patterns and

colours for interior fittings like consoles.

Cold reduced steel offers a whole range of mechanical properties and ductility, performing daily in automotive panels and components in a wide variety of complex pressings. It meets the new technology and flexibility demanded by

manufacturers, compatible with CAD/CAM component and tool design.

New nickel flash Terne is a favourite material for petrol tanks throughout the world, and is ideally suited to precision pressing.

British Steel is reaching best standards of quality, consistency and productivity. Producing the materials the automotive industry needs today. Developing products in anticipation of tomorrow. And backing them all with unmatched technical support and fair-dealing customer service.

**HOT ROLLED • COLD REDUCED • GALVATITE • ZALUTITE • ZINTEC**

**TENFORM • TENBOR • VESTEEL • TERNE • COLORCOAT • STELVITE**

BSC Strip Mill Products, PO Box 10, Newport, Gwent NP9 0XN. Tel: 0633 272281. Telex: 49760.

**S BSC Strip Mill Products: The steels for industry.**

## CANADIAN NEWSPRINT

Robert Gibbens on a turnaround at the Canadian newsprint producer

## Bright outlook for revitalised CIP

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

INITIAL PUBLIC OFFERING OCTOBER 1987

**GZ BANK**

**RADEX HERAKLITH®**  
RADEX-HERAKLITH INDUSTRIEBEITELIGUNGS  
AKTIENGESELLSCHAFT

**ATS 231,120,000**  
856,000 ORDINARY SHARES

**GIROZENTRALE UND BANK DER ÖSTERREICHISCHEN SPARKASSEN AKTIENGESELLSCHAFT**

**CREDITANSTALT-BANKVEREIN**

**DIE ERSTE ÖSTERREICHISCHE SPAR-CASSE - BANK**

**CREDIT SUISSE FIRST BOSTON DEUTSCHE BANK CAPITAL MARKETS SHEARSON LEHMAN BROTHERS LIMITED**

**BANK FÜR KÄRNTEN UND STEIERMARK AKTIENGESELLSCHAFT**

**KÄRNTNER SPARKASSE**

**BANK GEBRÜD. GUTMANN NFG. AKTIENGESELLSCHAFT**

**GENOSSSCHAFTLICHE ZENTRALBANK AKTIENGESELLSCHAFT**

**ÖSTERREICHISCHE LÄNDERBANK AKTIENGESELLSCHAFT**

**SCHÖELLER & CO. BANKAKTIENGESELLSCHAFT**

**ZENTRALSPARKASSE UND KOMMERZIALBANK, WIEN**

**MEDHL BANK AKTIENGESELLSCHAFT**

**BANKINVEST**

**GILBERT ELLIOTT & COMPANY**

THE SHARES ARE LISTED ON THE VIENNA STOCK EXCHANGE.

CIP, Canada's second largest and least-known newsprint producer with estimated 1987 sales of C\$2bn (US\$1.55bn), is emerging with newfound vitality from five years of penury.

Debt is down, profits are up - with rising prices for almost all paper products - and speculation continues that in the medium term its parent, Canadian Pacific, will take it public.

CIP is an established company with mills and converting plants mainly in eastern Canada. It will soon be the first eastern company to produce newsprint in the west.

The company has started work on a newsprint mill, with an annual capacity of 250,000 tonnes and a thermomechanical pulping unit alongside its existing Gold River bleached cross pulp mill, situated on the west coast of Vancouver Island.

The existing pulp mill, with annual capacity of 250,000 tonnes, will continue to sell to customers in North American and overseas markets.

The Gold River newsprint project, costing C\$350m including working capital, will have infrastructure for a second machine to be added when the fast-growing markets on the US west coast and Asia absorb the output.

Mr Cecil Fenniken, chairman, said CIP had completed the detailed feasibility studies for Gold River and lined up several US partners in six months.

The 335.8-in trim-width Beloit machine now on order will run at average speeds of 4,200 ft a minute. Man hours per tonne of output will be around 1.2, compared with four to five in the more modern mills in Canada.

This productivity rate, if achieved, will be competitive with any new mills in Scandinavia or the US.

An energy deal is being negotiated with British Columbia Hydro.

Mr Fenniken will not divulge

the identity of Gold River's US partners, though one is a leading distributor. They will take up to 70 per cent of the output and will be minority owners of the mill.

Gold River is not the only gleam in the chairman's eye. CIP, buffeted by rising product prices, is keenly interested in newsprint made from kenaf, a non-wood fibre that grows to a height of 10 ft in less than three months in the southern US.

CIP, in co-operation with US interests, is believed to be developing a kenaf mill and newsprint machine in the south.

kenaf can be stored almost indefinitely without fading or turning yellow. It also takes less ink to print on kenaf newsprint.

Mr Fenniken said: "We know how to grow kenaf and how to harvest it with corn-cutting equipment. But we need a lot more confidence that it can be delivered to the mill efficiently."

"We are very interested but we are not yet ready to commit the hundreds of millions of dollars it would take to build, say, a 200,000-tonne mill and newsprint machine in the south," he said.

dug itself in for five years, shut down uneconomic plants, trimmed overheads and concentrated about C\$600m of spending on making the surviving pulp, newsprint and paper products operations competitive.

CIP pumped more equity into CIP to reduce the interest burden, and then late in 1985 relieved

can to recover from their all-time low of 1982.

The posted North American newsprint price will rise to US\$850 a tonne on January 1, and many observers see a further increase before 1988 is out.

CIP's debt-equity ratio is down to about 30:70 and the company earned C\$44m in the first half of 1987. It will do much better in the second half.

Mr Fenniken is optimistic about 1988.

The only uncertainty is a North American economic downturn in 1988.

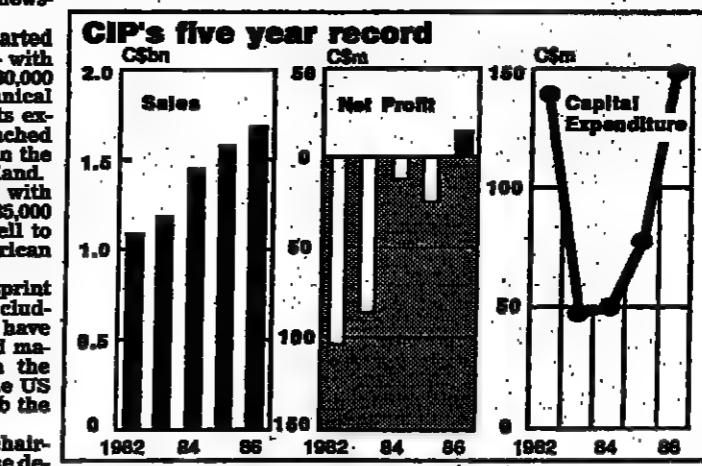
With Gold River hopefully in operation by autumn 1989, CIP will have nearly 1.5m tonnes of newsprint capacity, 400,000 tonnes of market pulp, 400,000 tonnes of paperboard and packaging, 20,000 tonnes of tissue products, four mills and a hardboard plant.

Mr Fenniken said CIP could afford Gold River and big spending on modernisation and expansion at its other mills because of a turnaround in profitability.

With Gold River, capital spending will double to well over C\$300m a year in the 1988-1990 period. It is near to a decision on a big modernisation development at its New Brunswick newsprint mill, the third largest in Canada, owned by Oji Paper and Mitsui of Japan.

But CIP's chairman would not comment on when the company might go public.

"That depends entirely on the parent company," he said.



## Royal Trustco has strong third quarter

BY DAVID OWEN IN TORONTO

ROYAL TRUSTCO, Canada's second largest trust company which is part of Peter and Edward Bronfman's far-reaching empire, reported a 30 per cent rise in net third-quarter income this week on the back of strong growth in both the international and domestic business divisions.

Net income for the quarter ended September 30 totalled C\$49m (US\$37.7m) or 33 cents

per fully diluted share, up from C\$37m or 26 cents a year earlier. Total revenues reached C\$373m in the latest period, compared with C\$277m in the corresponding 1986 period.

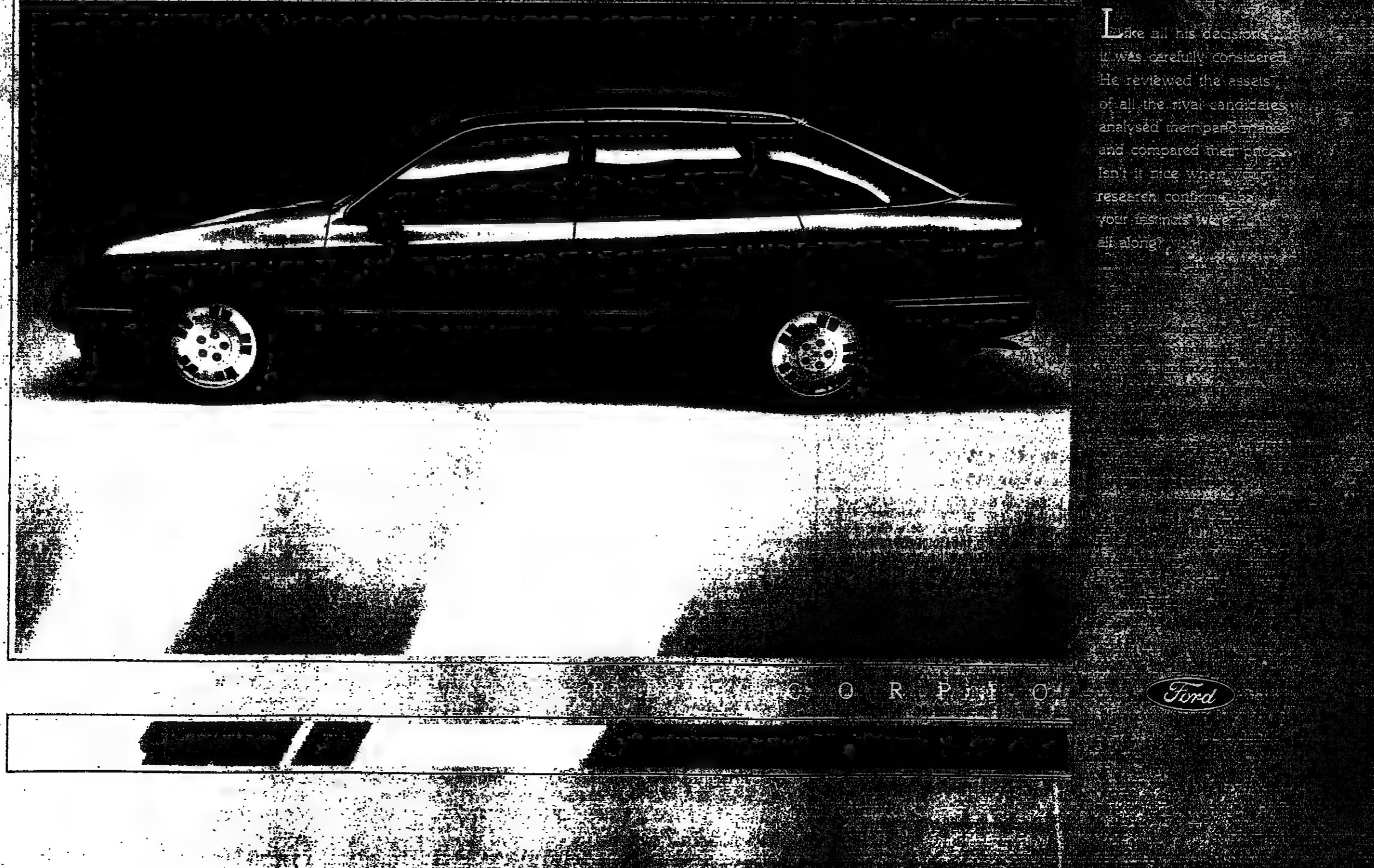
Mr Michael Cornelissen, president and chief executive, expressed particular pleasure at the performance of the company's international operations, whose income, he said, "is well

ahead of 1986." Contributions from last year's acquisitions, he added, "are well ahead of expectations."

Royal Trustco has been expanding rapidly into new profit areas, both domestic and in the wake of Canada's ongoing deregulation of the financial services industry. Total assets at the end of the latest period were C\$22.3bn, compared with

C\$19.1bn at the end of the 1986 third quarter. Total assets under administration, meanwhile, had risen to C\$88.8bn, against just C\$64.4bn a year ago.

Earnings in the nine months to September 30 totalled C\$14.2m or 93 cents a share, on revenues of C\$1.25bn. This compares with C\$1.17m or 63 cents a share on revenues of C\$1.32bn in the corresponding 1986 period.





**ALL HIGH INTEREST CHEQUE ACCOUNTS LOCK AT THE END OF YOUR TAKE A CLOSER LOOK**

**STANDARD CHARTERED HIGH INTEREST CHEQUE ACCOUNT**  
PERSONALISED CHEQUE BOOK.  
UK CHEQUE CARD.  
NO MINIMUM WITHDRAWAL LEVEL.  
NO BANK CHARGES.  
FREE STANDING ORDERS AND DIRECT DEBITS.  
MONTHLY STATEMENTS.  
MINIMUM DEPOSIT ONLY £100.  
NO MINIMUM ON ADDITIONAL DEPOSITS.  
INTEREST EARNED DAILY.  
PAYOUTS ARE MADE BY BANK TRANSFER.  
NOT CHECKED OUT AT SOURCE.

You've rightly decided that a high interest cheque account would come in very handy. After all it gives you all the advantages of a UK current account - but with the high interest potential of a deposit account. The only problem is deciding which is the right one when they all seem much the same. But in fact if you consider

the Standard Chartered features shown here, compare them point for point with the others around, we think you'll agree we offer a total package of quite exceptional value. That's why it's called the Extra Value Deposit Account.

To: Gordon Wylie, Standard Chartered Bank (C.I.) Ltd, Standard Chartered House, P.O. Box 89, Conway St, 09V, St Helier, Jersey, Channel Islands. Tel: 0534 74001.

Please send me details of your high interest cheque account. Existing accounts are available on request.

Name \_\_\_\_\_  
Address \_\_\_\_\_

**Standard Chartered**  
Britain's fifth largest bank... and growing

## Company Notices

### GOLD FIELDS OF SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa)  
A MEMBER OF THE GOLD HELLS GROUP

(Registration No. 05/04/18106)

At the annual general meetings of the undermentioned companies held on 12 October 1987, the following special resolutions were passed:

Company Doornfontein Gold Mining Company Limited (Registration No. 05/24709/05)	Increasing Authorised Capital From R10 500 000 to 10 500 000 shares of R1 each to R11 250 000 in 11 250 000 shares of R1 each
Libanon Gold Mining Company Limited (Registration No. 05/08381/05)	From R8 000 000 to 8 000 000 shares of R1 each to R9 000 000 in 9 000 000 shares of R1 each
Venterspost Gold Mining Company Limited (Registration No. 05/05632/05)	From R5 050 000 to 5 050 000 shares of R1 each to R6 250 000 in 6 250 000 shares of R1 each
Driefontein Consolidated Limited (Registration No. 68/04880/05)	Not Applicable
Circulars containing forms of surrender have been posted to the respective registered shareholders of the companies and shareholders should submit the completed forms of surrender together with their share certificate(s)/document(s) of title to the Transfer Secretaries at the address shown on the forms of surrender.	From 110 000 000 shares of R1 each to 220 000 000 shares of 50 cents each

The Johannesburg Stock Exchange has agreed to amend the listings of the Doornfontein, Libanon, Venterspost and Driefontein Consolidated shares with effect from 9, 16, 23 and 30 November 1987, respectively. Similar applications will be made to the Council of The Stock Exchange, London, to amend the relevant amendments to the lists of the companies' names on the exchange. London will close its business on 6, 13, 20 and 27 November 1987, in respect of each of these companies respectively, will be in existing share certificates and deals with effect from 9, 16, 23 and 30 November 1987, respectively, will be in new share certificates.

Registered and Head Office:  
75 Fox Street  
Johannesburg  
2001  
15 October 1987

London Office:  
33 Charles II Street,  
St James's Square,  
London SW1Y 4AG

United Kingdom Registrar:  
Hill Samuel Registrars Ltd,  
6 Grosvenor Place  
London SW1P 1PL

### NOTICE OF REDEMPTION BANCO DI ROMA

LONDON BRANCH

U.S. DLRS 20,000,000  
NEGOTIABLE FLOATING RATE  
CERTIFICATES OF DEPOSIT DUE MAY 1989

NOTICE IS HEREBY GIVEN to the holders of the certificates of deposit (the "certificates") in accordance with the above listed conditions, that Banco di Roma (the "Bank") has elected to repay the principal amount of the certificates on 30th November 1987 (the "Redemption date"). Payment of the principal amount upon each certificate, together with accrued interest thereon to the redemption date, will be made on the redemption date against presentation and surrender of the certificates at the London branch of the bank at 14/18 Eastcheap, London EC3M 1LY.

Interest on the certificates shall cease to accrue from and after the redemption date.

Reference Agent:  
The Long-Term Credit Bank of Japan Ltd.,  
London Branch

Dated 15th October 1987

### ACCOUNTANCY

Publication date November 20 1987  
Advertisement copy date November 6 1987

The Financial Times proposes to publish this survey on the above date.

- A number of areas will be covered including:
  - \* Audit
  - \* Management Consultancy
  - \* The importance of medium sized firms
  - \* Corporate Finance

#### Editorial Information

Please address all inquiries or suggestions concerned with the editorial content of this survey in writing to the Survey Editor

Advertising Information  
Information on advertising can be obtained from Claire Broughton, telephone number 01-243 2131, 248 8000 extension 3234, or your usual Financial Times representative

FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER

## Arts Week

F | S | Su | M | Tu | W | Th |  
16 | 17 | 18 | 19 | 20 | 21 | 22

### Exhibitions

#### LONDON

The Tate Gallery, Turner in the new Clore Gallery: The Turner Bequest, which amounts to nearly 300 oil paintings, finished and unfinished, and a further 15,000 or so watercolours and drawings, has been a source of controversy and disagreement since it came into the National Gallery less than 150 years ago. Turner had always wished for a gallery to himself which would show all aspects of his work. Whether he would have approved of James Stirling's extension to the Tate as a suitable setting is a nice question. The larger paintings may be hung too far apart, and the smaller, more intimate, drawings, a little too close together. Stirling has decreed that the principal galleries is a far cry from the rich plum he is known to have preferred. The vulgar neo-deco of the entrance hall has little to recommend it. But eight rooms for paintings and one for watercolours give room enough, and with the three remaining galleries, there is every prospect that the few in restoration or on loan is on the wall.

#### PARIS

Bibliothèque Nationale: Fine Prints in France from the 15th to the 19th Century. More than 1,000 prints of exceptional quality from the print department of the Bibliothèque Nationale show the infinite possibilities of artistic expression through varied techniques of printmaking. The panorama ranges from early engravings showing strong Flemish, German and Italian influences to the religious prints of the 16th century, to the portraits of Frenchmen, including the extraordinarily modern caricature of Castel Perriano and vases, while the second, at the Musée della Civiltà Romana (Piazza G Agnelli 16, Euro-Rome), entitled Sport in Antiquity - records how the games gradually became an amusement for the masses and a means of advancement for emperors. The museum in which it is housed is little-publicised and full of fascinating objects (Roman surgeons' and obstetricians' tools, weights and measures and scale models of bridges, viaducts etc). Ends Nov 23.

#### ITALY

14

Hildesheim, Roemer- und Pelizaeus-Museum, Am Stein 1-2. Egypt rises to a World Power: More than 300 pieces loaned by 20 museums in Europe, Africa and America - the first presentation of the most important 1550-1530-1400 BC of the New Empire in Egypt. The bust of Pharaoh Thutmose III, discovered in 1907 without a face, can be seen complete in Hildesheim. The face, found in Egypt only 20 years ago, was loaned by a Cairo Museum. Another highlight is a reconstruction of the 3000 year old burial chamber of Semiramis, the former mayor of ancient Babylon. Clothes, household appliances, tools, cosmetics and jewelry illustrate the everyday life of Egyptian citizens. Ends Nov 29.

#### NEW YORK

14

Cortesie: The Centre Georges Pompidou celebrates the centenary of the birth of Le Corbusier with an exhibition on his life for which a global view of the man and his ideas is provided. Over 60 models of buildings - 15 of them original - together with drawings and photographs of his main projects, illustrate his controversial architectural concepts. There is also a reconstruction of an apartment from *Unité d'Habitation* de Marseille, an apartment built and furnished by the artist himself. A reconstruction of his studio, *"l'atelier qui fait le bonheur"*, is also on view.

#### CHICAGO

14

Art Institute: African Art: Angles on Africa. Art features ten co-curators, ranging from an African tribesman to collector David Rockefeller, each of whom chose ten of their favourite pieces, making a well-rounded and diverse show. Other curators are writer James Baldwin, artist Nancy Graves and Rogauer Bearden and curator William Rubin. Ends Jan 3.

#### BERLIN

14

BRITISH MUSEUM: 200 objects from the Age of Sultan Suleiman the Magnificent demonstrate the wealth and skills at the high point of the Ottoman empire in the sixteenth century through the large selection of illuminated manuscripts, the imperial wardrobe, ceramics and jewel-encrusted weapons. Ends Jan 12.

#### NYC

14

Cotterell: Africa Art: Angles on Africa. Art features ten co-curators, ranging from an African tribesman to collector David Rockefeller, each of whom chose ten of their favourite pieces, making a well-rounded and diverse show. Other curators are writer James Baldwin, artist Nancy Graves and Rogauer Bearden and curator William Rubin. Ends Jan 3.

#### BERLIN

14

BRITISH MUSEUM: 200 objects from the Age of Sultan Suleiman the Magnificent demonstrate the wealth and skills at the high point of the Ottoman empire in the sixteenth century through the large selection of illuminated manuscripts, the imperial wardrobe, ceramics and jewel-encrusted weapons. Ends Jan 12.

#### CHICAGO

14

Art Institute: Walter Evans photographs of the 1930s showing poverty and despair in the American South were famous in their time in Life Magazine and preserved in James Agee's moving book, *Let Us Now Praise Famous Men*. This exhibit is a reminder at a time of renewed despair in the American heartland of the scope and depth of Evans' work originally done for the Farm Security Administration. Ends Nov 4.

#### CHICAGO

14

WILLIAM RUBIN: Art: Angles on Africa. Art features ten co-curators, ranging from an African tribesman to collector David Rockefeller, each of whom chose ten of their favourite pieces, making a well-rounded and diverse show. Other curators are writer James Baldwin, artist Nancy Graves and Rogauer Bearden and curator William Rubin. Ends Jan 3.

#### BERLIN

14

BRITISH MUSEUM: 200 objects from the Age of Sultan Suleiman the Magnificent demonstrate the wealth and skills at the high point of the Ottoman empire in the sixteenth century through the large selection of illuminated manuscripts, the imperial wardrobe, ceramics and jewel-encrusted weapons. Ends Jan 12.

#### NYC

14

COTTERELL: Africa Art: Angles on Africa. Art features ten co-curators, ranging from an African tribesman to collector David Rockefeller, each of whom chose ten of their favourite pieces, making a well-rounded and diverse show. Other curators are writer James Baldwin, artist Nancy Graves and Rogauer Bearden and curator William Rubin. Ends Jan 3.

#### BERLIN

14

BRITISH MUSEUM: 200 objects from the Age of Sultan Suleiman the Magnificent demonstrate the wealth and skills at the high point of the Ottoman empire in the sixteenth century through the large selection of illuminated manuscripts, the imperial wardrobe, ceramics and jewel-encrusted weapons. Ends Jan 12.

#### CHICAGO

14

ART INSTITUTE: Walter Evans photographs of the 1930s showing poverty and despair in the American South were famous in their time in Life Magazine and preserved in James Agee's moving book, *Let Us Now Praise Famous Men*. This exhibit is a reminder at a time of renewed despair in the American heartland of the scope and depth of Evans' work originally done for the Farm Security Administration. Ends Nov 4.

#### CHICAGO

14

WILLIAM RUBIN: Art: Angles on Africa. Art features ten co-curators, ranging from an African tribesman to collector David Rockefeller, each of whom chose ten of their favourite pieces, making a well-rounded and diverse show. Other curators are writer James Baldwin, artist Nancy Graves and Rogauer Bearden and curator William Rubin. Ends Jan 3.

#### BERLIN

14

BRITISH MUSEUM: 200 objects from the Age of Sultan Suleiman the Magnificent demonstrate the wealth and skills at the high point of the Ottoman empire in the sixteenth century through the large selection of illuminated manuscripts, the imperial wardrobe, ceramics and jewel-encrusted weapons. Ends Jan 12.

#### CHICAGO

14

ART INSTITUTE: Africa Art: Angles on Africa. Art features ten co-curators, ranging from an African tribesman to collector David Rockefeller, each of whom chose ten of their favourite pieces, making a well-rounded and diverse show. Other curators are writer James Baldwin, artist Nancy Graves and Rogauer Bearden and curator William Rubin. Ends Jan 3.

#### BERLIN

14

BRITISH MUSEUM: 200 objects from the Age of Sultan Suleiman the Magnificent demonstrate the wealth and skills at the high point of the Ottoman empire in the sixteenth century through the large selection of illuminated manuscripts, the imperial wardrobe, ceramics and jewel-encrusted weapons. Ends Jan 12.

#### CHICAGO

14

ART INSTITUTE: Walter Evans photographs of the 1930s showing poverty and despair in the American South were famous in their time in Life Magazine and preserved in James Agee's moving book, *Let Us Now Praise Famous Men*. This exhibit is a reminder at a time of renewed despair in the American heartland of the scope and depth of Evans' work originally done for the Farm Security Administration. Ends Nov 4.

#### CHICAGO

14

WILLIAM RUBIN: Art: Angles on Africa. Art features ten co-curators, ranging from an African tribesman to collector David Rockefeller, each of whom chose ten of their favourite pieces, making a well-rounded and diverse show. Other curators are writer James Baldwin, artist Nancy Graves and Rogauer Bearden and curator William Rubin. Ends Jan 3.

#### BERLIN

14

BRITISH MUSEUM: 200 objects from the Age of Sultan Suleiman the Magnificent demonstrate the wealth and skills at the high point of the Ottoman empire in the sixteenth century through the large selection of illuminated manuscripts, the imperial wardrobe, ceramics and jewel-encrusted weapons. Ends Jan 12.

#### CHICAGO

14

ART INSTITUTE: Walter Evans photographs of the 1930s showing poverty and despair in the American South were famous in their time in Life Magazine and preserved in James Agee's moving book, *Let Us Now Praise Famous Men*. This exhibit is a reminder at a time of renewed despair in the American heartland of the scope and depth of Evans' work originally done for the Farm Security Administration. Ends Nov 4.

#### CHICAGO

14

WILLIAM RUBIN: Art: Angles on Africa. Art features ten co-curators, ranging from an African tribesman to collector David Rockefeller, each of whom chose ten of their favourite pieces, making a well-rounded and diverse show. Other curators are writer James Baldwin, artist Nancy Graves and Rogauer Bearden and curator William Rubin. Ends Jan 3.

#### BERLIN

14

## THE ARTS

Cinema/Nigel Andrews

## Reactions from the gut

**London Film Festival**  
**The Belly of an Architect** directed by Peter Greenaway  
**The Love Child** directed by Robert Smith  
**Private Investigations** directed by Nigel Dick  
**Snow White and the Seven Dwarfs** directed by Walt Disney

Every November the South Bank echoes to the sound of vast numbers of tin cans being opened. The event is the London Film Festival, held at the National Film Theatre, and the cans are unbroken miles upon miles of celluloid.

The festival has just announced its 1987 programme. Despite the sceptics who feared that the controversial new director Sheila Whittaker would stuff that programme with Marxist-Leninist-feminist fare, the 31st LFF looks as rich, varied and politically pluralistic as ever. The usual 200-odd films clamour for space, and if you try to see them all, or even most, you will be carried out on a stretcher by closing day. Far better to pick and choose, with a little help from the FT Guide to Best Viewing.

The British section is especially strong, look out for Bruce Robinson's comedy of struggling actors *What's the Date?*, David Leland's witty elegiac tale of sex and growing old *In Bed With You*, *We Were Here and Sometime Ago* and *Rosie Got Laid*, the newest brickbat thrown at Thatcherite Britain by My Beautiful Laundrette team, Stephen Frears and Manit Kureishi.

Richard Attenborough's new film *Cry Freedom*, about the Steve Biko affair, joins the choice handful of movies getting big cinema screenings in Leicester Square. Others include Francis Coppola's *Ghosts of Stone*, Bill Forsyth's *Housekeeping*, Paul Newman's *The Glass Menagerie*, and Michael Mann's gleaming new murder thriller *Murder*.

Peter Greenaway's early experimental movies — like *A Week Through H and The Fizzi* — were among the revelations of the LFF's decade or so: daffy, surreal, profound, ingenious. By contrast his later shift into narrative cinema with *The Draughtsman's Contract* and *A Zed and Two Noughts* seemed to some, including me, like the work of a genius doodler trying to move main-line art cinema. Arch characters stood around mouthing recondite dialogue. It seemed

as if Greenaway had thrown away all his free-form privileges and gained little in return in the way of strong character or challenging narrative.

The *Belly of an Architect* is another case in point and away the best of his other features so far. The film has the old Greenaway mischief and a new Greenaway humanity. Brian Dennehy plays the American architect hurling into Europe at full tilt ("What a way to enter Italy") he gasps as he and his wife climax in a sleeping car) to mount an exhibition in honour of his hero, French architect Etienne-Louis Boullée. But stomach cramps herald cancer: the exhibition runs into trouble: his wife (Chloe Webb) betrays him with an Italian (Lambert Wilson), and he proves a place as layered with mystery, desire and mystery as the stately home of Draughtsman or the zonk of Zed.

Greenaway's compositional sense is astounding. Virtually every shot has a jewelled symmetry, further enhanced by the lighting of veteran cameraman Sacha Vierny (of *Last Year in Marienbad*). And visual richness joins forces with a far subtler density in the dialogue than before (farewell the cluttered prettiness of *Zed*) and with the emergence of the starkly home of Draughtsman or the zonk of Zed.

Dennehy creates a figure of monstrous egotism and despair: a tragicomic Falstaff obsessed with the place of the human stomach in art history, as his own belly, "premature" with death, rhymes itself with that of his wife, pregnant from their very first congress. The film's story takes place, appropriately, over nine months, and the movie is packed with enough subtlety and wit, thematic richness and visual splendours to keep the film student busy for roughly the same period.

The British Film Institute Production Board, which gave Greenaway his first leg up into feature, have now funded *The Love Child*, written by Gordon Hunt and directed by Robert



Brian Dennehy in "The Belly of an Architect"

Smith. This pell-mell comedy about dole-age Britain is endearing for about thirty minutes, as young accounts check Peter Capaldi (of *Local Hero*) fumbles through his daily round of mishaps, hallucinations (including talking toilets and beer-can) and life with Gran. She is festively played by Sheila Hancock, made up to resemble a prematurely aged cabbage-patch doll and prone to experiment with such nightmare dishes as "Fluffy Turkey".

Also heading into view are Miss Hancock's old flame from Australia (Percy Herbert), Mr Capaldi's new flame from the past (Lesley Sharp) and a host of eccentric minor characters including two pink-handled policemen (including the army boss full of advice for the aspiring yuppie). ("If you want to get on, you need a little bijou killer streakette.") The movie's component parts are deft and promising. The trouble is that the film itself never adds up to the sum of

them. It ends up a piecemeal romp, too casually structured and drably shot like outtakes from a TV sitcom.

Circumstances beyond control having kept me from Beyond Therapy and Dirty Dancing (reviews next week), the week's only other notifiable treats are Private Investigations and Snow White And The Seven Dwarfs. The first, directed by Nigel Dick, is a riotously inept US murder thriller, homaging away to Hitchcock while going off entirely at half-cock. The second is the reissued Disney classic. 50 years old, *Snow White* is still the best animated feature ever made. It was also the first routing the children who said that 90 minutes of rainbow-hued cartooning was more than the human retina could bear. Tick tak. What one cannot bear is that it ends after 90 minutes. Enchanted landscapes, entrancing characters, comedy, tears, music and romance. If you have Kleenexes, prepare to shed them now.

## Separation/Hampstead

Michael Coveney

The theatre of disability and affliction achieves a grim apotheosis in this heart-breakingly watchable love story by Tom Kempinski. Mr Kempinski, you will recall, wrote *Dust For One* which recounted the reluctant submission to psychiatric treatment of a violinist struck down by multiple sclerosis.

Since then Mr Kempinski has been divorced from his actress wife, Frances de la Tour (who played the violinist), has renounced his membership of the Workers' Revolutionary Party, put on lots of weight, lost it, not written much, gone out hardly at all.

Joe Green in *Separation* is a divorced nineteen stone weakling suffering from agoraphobia and writer's block. He scoffs bowls of tinned peaches and talks on the telephone to a skinned New York actress Sarah Wise, who wants to perform his famous hit play (*There came the Empty Quarter*). She has not been onstage for seven years and cheerfully describes her progressive neurologies condition as "peripheral relative neuropathy of unknown origins."

The revival is a success and Joe invites Sarah to London. When she arrives, the telephonic relationship is shattered by Joe's monstrous egocentricity. The presentation

of this pathological condition by David Suchet is frightening in the extreme. After all his efforts to lose weight and clean the carpet, he blows it. Saskia Reeves' Sarah has had an operation and is eager to bring the friendship to sexual fulfilment, even if she does find Joe not as good-looking as his voice. The resolution is a cautiously optimistic rather like that in *Dust For One*. A new play has been written and the respective positions of need restrained in a limbo of understanding and compromise. We have seen this in New York, wracked with stomach pain while staying off another obsessive call from a monster given to morbid panic attacks and jealous ruses. Joe selfishly diddles her out of the San Francisco rights to the play.

Mr Kempinski is not the first to write plays as a form of confessional therapy, but the honesty with which he does so is rare. He spares himself nothing and writes without a trace of sentimentality. The only padding here is hung around David Suchet's waist. This quality is what places *Separation* above and apart from such comparables as the acclaimed periodic romances as *84 Charing Cross Road* and *Some Time Next Year*.

The halting range of dependence and need across the

Atlantic and eleven scenes is played to the hilt. Mr Suchet combines a ferocious hardness with pathetic insensitivity, at one point covering the telephone mouthpiece with the murderous calm of Othello suffocating Desdemona. Miss Reeves is a strikingly beautiful actress who compensates for what I'd call a lack of technical bottom and full emotional lung-power (she is at her weakest in the last quarter of the play, unaffected by rejection) with a glowing charm and physical drive. She drags her legs through water, lies and sits on chairs with undivided finesse and serenity, crutches falling away from her like scales.

Michael Attenborough's production is slickly organised on an imposing split design by Sue Plummer that steers a fascinating middle course between seediness and peculiar opulence. Lighting and sound by David Hessey and Colin Brown complete a rather confident upmarket treatment of misery.

Prince Edward to narrate for the deaf

Prince Edward is to narrate *Peter and the Wolf* with the London Symphony Orchestra at the Barbican Hall on December 23 in aid of the Beethoven Fund for Deaf Children.

Princess Anne to narrate for the deaf

Princess Anne to narrate *Peter and the Wolf* with the London Symphony Orchestra at the Barbican Hall on December 23 in aid of the Beethoven Fund for Deaf Children.

## Music

## PARIS

Bruno Canino, piano recital (Mon). Comédie des Champs Elysées (45041215).

Orchestre Colonne conducted by Pierre Dervaux, Gabriel Tchaikovsky, Solist: Villa-Lobos, Gershwin, Ravel (Mon). Sale Pleyel (45610630).

Madame Hervé recital, Martin Katz, piano (Mon). Théâtre de l'Athénée (47428727).

Ensemble Venance Fortunat conducted by Anne-Marie Deschamps. Lithuanian folk play about the three maries (Mon). Saint-Louis en l'Île church (45064848).

Orchestre National de Paris conducted by Gyorgy Lehel, Raphael Oleg, violin; Mozart, Schumann, Dvorak, Kodály (Tue). Sale Pleyel (45610630).

Cyrano Katsaris, piano: Schubert, Liszt, Beethoven (Tue). Théâtre des Champs Elysées (47203637).

Orchestre National de France conducted by Endell Barshai, Bruno-Leonard Gelber, piano: Beethoven (Tue). Théâtre des Champs Elysées (47203637).

NETHERLANDS

Amsterdam, Concertgebouw. Alain Lombard conducting the Hague Philharmonic with Janine Walz, violin; Bartók, Tchaikovsky (Mon). Recital Hall: Music by Constantijn Huygens (1629-1697) (Tue). The Xenakis Ensemble Xenakis, Feldman (Wed). Piano recital by Paul Komen, Faure, Lissé, Messiaen, Chopin (Thur). (7) 63 622.

TOKYO

Les Misérables. After London and New York, now Tokyo and the Japanese version of this eastward-welling musical. The cast has been picked by the creative team of director Cameron Mackintosh (from an estimated 11,500 hopefuls), then trained for some months in a special "boot" and rehearsed by director John Caird. Costumes, set, sound, lighting have been supervised by the respective original designer flown in from London. Toto's Les Misérables is a triumph. The best production of a Western musical in Japan, it differs little from the original London version. Convincing and moving, this top-quality production

Tchaikovsky, Schumann (Wed, Thur). Recital Hall: Concert of electronic music. Rai, Line, Märt, Kergomard, Guédron (Tue). Morten Lauridsen, Stanley Drucker and Glen Wilson, fortepiano (Wed). (31 45 44).

The Hague, Philipszaal. The Netherlands Philharmonic Chamber Ensemble conducted by Anton Rosmar, with Miklós Perényi, cello; Schönbert, Tchaikovsky, Bartók (Mon). (63 93 10).

Groningen, Oosterpoort. The Orford Singers, concert. Haydn, Murray, Schubert, Kodály (Tue). Sale Pleyel (45610630).

Den Haag, Concert Hall: Groot Konsert: Henk Badings, piano (Mon). (63 93 10).

Paris, Théâtre de l'Athénée (47428727).

Crutcher Tunnicliffe bagpipes. Mozart, Davies (Tue); Fabio Mechetti conducting, Micanor Zabala harp, Debussy, Gnistras, Dvorak (Thur). Kennedy Center (254 3776).

Den Haag, Concert Hall: Groot Konsert: Henk Badings conducting with Julianne Strijker Quartet, Hindemith, Spohr, Beethoven (Wed). Kennedy Center (254 3770).

CHICAGO

The Academy of Ancient Music (Orchestra Hall): Christopher Hogwood conducting, Stephan Hammer oboe, Catherine Mackintosh violin, Harold Vividi, Bach (Wed). (453 6111).

Chicago Symphony (Orchestra Hall): Pierre Boulez conducting, Boulez, Bartók (Thur). (458 8111).

Chicago, Auditorium: Daniel Barenboim, piano (Mon). (270 6161).

Yamaha Nippon Symphony Orchestra, conductor Heinz Holliger; soloists Misako Watanabe, Naoko Ibara, Masahiko Sasaki, Hermann Christian Polster with Shin-Ya Kai Chorus, Beethoven's Miss Solemnis, Suntory Hall (Mon). (270 6161).

Issue Stern, Violin; Emanuel Ax, piano, Yo-Yo Ma, cello, Beethoven, Schubert, Refugees International Benefit Concert, Hilman Memorial Hall, Show Women's College, Chicago (Tue). (589 0111, ext. 3548/3549).

TOKYO

Yoshii Nippon Symphony Orchestra, conductor Heinz Holliger; soloists Misako Watanabe, Naoko Ibara, Masahiko Sasaki, Hermann Christian Polster with Shin-Ya Kai Chorus, Beethoven's Miss Solemnis, Suntory Hall (Mon). (270 6161).

New York Philharmonic (Avery Fisher Hall): Felix Kruglikov conducting, Miriam Fried violin, Brahms, Shostakovich (Tue); Erich Leinsdorf conducting Jorge Bolet piano, Sibelius, Grigory Semyonov (Thur). Lincoln Center (647 2224).

TOKYO

Tokyo Symphony Orchestra conductor Harumi Ionescu-Galea with Andre Isoir, organ. Gunika Pouleno, Tchaikovsky, Suntory Hall (Wed) (503 1010).

Dietrich Fischer-Dieskau, baritone, Schubert's Winterreise, D.911. Sunter Hall (Thur). (505 1010).

Rotterdam Philharmonic Orchestra, conducted by James Conlon; piano: Michèle Koyama, Liszt, Mahler, Iwao Bunka Kukan (Thur) (573 3538).

WASHINGTON

National Symphony (Concert Hall): Tamás Vassay conducting, Nancy

Technalkowsky, Schumann (Wed, Thur). Recital Hall: Concert of electronic music. Rai, Line, Märt, Kergomard, Guédron (Tue). Morten Lauridsen, Stanley Drucker and Glen Wilson, fortepiano (Wed). (31 45 44).

Technalkowsky, Schumann (Wed, Thur). Recital Hall: Concert of electronic music. Rai, Line, Märt, Kergomard, Guédron (Tue). Morten Lauridsen, Stanley Drucker and Glen Wilson, fortepiano (Wed). (31 45 44).

## The Winter's Tale/Barbican

Martin Hoyle

Terry Hands unveiled his *Winter's Tale* at Stratford last year: coolly beautiful, splashed with colour, occasionally eccentric. The production now arrives at the RSC's London base rethought, still more broad, slightly coarser, less austere. Among the actors the good have got better, but the unfocused boulder about to even less effect.

The chief cast changes are improvements. Last year Jeremy Irons' sprawling Leontes was twitfully neurotic, with the tortured romantic glamour of Elizabethan Leontes' perverness while illustrating the acceptable face of autocracy. Penny Downie's radiant Hermione is more slightly moving than ever, her Perdita slightly effortful (could any actress convincingly in both roles?).

Nathaniel Parker remains an excellent Florio and Bernard Russell Beale are those rare things, Shakespearean comic, both funny and lovable — though the son's Whited Jewish accent to his shepherd father's summerless suggests that Perdita is the only foundling in the district. With his full-length fur coat and musical attack Joe Melling's Autolycus deceptively anticipates an even crazier going. Elsewhere his comedy, like that of the other characters, tries too hard in a production perhaps over-eager to ingratiate itself. We lose the sangria goat he rode last year and his Armenian pedlar outwitted the faintly eastern touch to the peasant merrymaking has given way to a more Zorba-type. The Scenic elaborations include flats that rear on hump to become walls or hillocks. The peasant festivities are lowered over by an orange-umber sky more apt to Nolan's outback than the Balkans. And we have lost the beatific assured blues of the last year's costumes. The feathery flapping Time is merely clowns; and Richard

Easton's foppish Camillo has evidently been told to become a "character" without quite knowing how. Thundering out the news of Hermione's death, her arms raised in Empress-like draperies (Alexander Reid's late Regency costumes in pure white still give pleasure), Paulina resembles a figures from russet; but Gillian Barge's over-positive attack needs to be curbed, especially in the final scene where her Sidons booming and hand gestures overpower the unconvincing old Mr Shelley (at least grieved when his son's Dr Strangelove wheedled him into the approach an unplayable comic role etc).

Visionally the early sets are still dominated by the vast polar bear rug whose subsequent King Kong act has the requisite number of nightmares to it. Scenic elaborations include flats that rear on hump to become walls or hillocks. The peasant festivities are lowered over by an orange-umber sky more apt to Nolan's outback than the Balkans. And we have lost the beatific assured blues of the last year's costumes. The feathery flapping Time is merely clowns; and Richard

## The School for Scandal/Birmingham Rep.

Michael Coveney

The Birmingham Rep is showing signs of new life under its new Artistic Director John Adams (formerly of Paines Plough and the Bolton Octagon). His opening production of To Kill a Mockingbird fitted the bill: the夏天的令人窒息的 auditorium. His revival of *Private Investigations* now takes fearless possession of the vast, unwieldy stage.

The French novelty of manned hot-air balloons has been anticipated by a decade to explain why the 17th-century scandal college has been gathered in Hyde Park rather than at Lady Macbeth's house. The vast greenwood of Simon Higlett's progressively ingenious and brilliant design is surrounded by an arched cut-out panorama of the city. The diverging balloon, spotted like a friendly zeppelin over outlines of Hawksmoor and Wren, descends in full hydraulic splendour to whisk off Mr Crabtree and Sir Benjamin in pursuit of Marla.

Felicity Fielding's Lady Macbeth suffers from the outdoor treatment and also from her reluctance to chisel out her lines and leave them to do their own work. Her sangful talent for hooded innuendo and drawing coquetry is death to Sheridan. The gossipies are generally overstated, Crabtree and Backbite (Peter Banks and Nicholas Blame) cackling and wheezing to an effect more irritating than Charles Penrose's Laughing Policeman.

The play's brilliance in transposing a debate on the morality of wit to the sphere of fraternal action with a trial of fraternal virtue at its centre is well understood by Mr Adams. The backbone performance is Christopher Benjamin's as Sir Peter, as good as any I've seen, and the alleged prostitute Charles is well drawn in the Jeremy Irons vein by Dorothy McAllister. Martin Scholfield as the Virgin Leigh moulds a Dame Tessa, which recalls the *Private Investigations* of Lady Teasdale, a convincing country-dame whose grace and elegance phase.

Ram John Holder as a dignified Rowley and Wabel Sylvie as the ward Maria, a sweet paragon whose colour changes less readily than Mrs Candour (Paula Jacobs) thinks, are significant but unlaboured indications that the small black population in Britain was on the move even as the hot air balloons

## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY  
Telegrams: Finantimo, London PS4. Telex: 8954871  
Telephone: 01-248 8000

Friday, October 16

## Small step to farm reform

A CRITICAL stage in the European Community's effort to contain farm spending begins next week when Agriculture ministers of the 12 member states open negotiations on the new, so-called 'stabiliser' proposals drawn up by the European Commission.

Mrs Thatcher, the British Prime Minister, has made control of farm spending the top condition for decisions, due in December, on the financing of the Community as a whole. So in this respect, the future of the EC itself depends on the member governments' ability to find solutions to the agricultural problem.

### Budget costs

The horrors of the common agricultural policy are by now well enough known. Of the EC's total draft budget this year of £41 bn (£29bn), some £27bn is destined for the farm budget, two thirds of which will have to finance the storage or export of commodity surpluses. These budget cuts will increase, but it should not be forgotten that the costs to the consumer are considerably larger. The CAP also has a seriously distorting effect on world trade.

The Commission's stabiliser proposals will not bring a rapid return to free market practices across the whole farm sector. For once, the bureaucrats' largely accountancy-based description of the proposals will be adopted by ministers, help stabilise spending in each of the key commodity sectors. They may well not reduce it from present levels, and they will certainly not impose a cash limit on farm spending as a whole. This might suggest that the proposals would be worse than useless, but given attitudes which prevailed only a very few days ago, they are far from negligible.

The Commission has proposed a combination of limits on production, price reductions and a tightening of the rules governing the buying and selling of surplus commodities. For some products at least, this should result in a much better balance between supply and demand, as well as a real curb on costs.

Measures for each commodity vary, but as a series of articles which have appeared on our commodity pages over the last fortnight have shown, the bud-

getary stabilisers for dairy products have so far been the most successful, while those proposed for cereals seem likely to be least effective.

The trouble is that, even if ministers accept the Commission's proposals, they will not have gone far enough down the road to reform.

On the one hand, there are dangers in the stabiliser concept itself. If the Community relies too heavily on quotas, rather than price cuts to control production and curb costs, it will freeze farming patterns and risk creating a monster almost as distorting and inefficient as an unreformed CAP. At the least, there must be free trade in quotas, preferably across frontiers, to mitigate this.

Second, however, is the need for fundamental changes to the nature of farm support. The notion that farm support can disappear altogether is politically unrealistic, but the idea that it should be increasingly divorced from production is gaining currency.

### Direct help

A recent report from the German Institute for European Politics argues that the long term objective must be to scale down support to what it calls "market clearing price levels". Those farmers who could not survive at these prices would receive direct income subsidies of various kinds, including "marketing services" income, a concept which assumes that by looking after their land, but not necessarily producing for the market, farmers would be providing a service to the community which should be paid for like any other.

The German study sensibly argues that the level of income aid should vary according to the general income level of a community or region, but should be drawn up within a strict EC framework.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

## A calmer view of short-termism

THE VIEW that it is the financial system in the UK that has caused companies to focus on the short term rather than on investment for the longer term, is not substantiated by the evidence. Thus reports the CBI City/Industry task force in a document which contains useful suggestions as well as a number of homilies, but which duck away from the really prickly issues.

This is not surprising. A group made up of 20 senior figures from industry and the City was never likely to come up with radical proposals, especially since it seems to have been anxious that its conclusions should be unanimous. Moreover, the climate has changed considerably in the year since the CBI's last conference, when industry's dissatisfaction with the performance of the financial sector raised an characteristic degree of heat.

For one thing, the level of confidence in the manufacturing and commercial sectors has risen sharply in the last 12 months. Industrialists - especially those with maturing stock options - no longer feel like poor relations. In the same vein, the financial sector is not seen as quite the risk-free gravy train it appeared in the months leading up to Big Bang. Salaries still appear enormous, but the City is having to learn to live with redundancies. The crack down on takeover abuses, which has reached such spectacular proportions this week, may well be a cause of quiet satisfaction in Sheffield or Glasgow and the flood of giant takeovers bids has at long last nearly come to an end. Pilkington's escape from BTR seems to have been a turning point in this respect.

### Pension funds

The task force has examined what it describes as the pervasive mythology about short termism in the City, and concluded that it does not stand up to close examination. This view is based partly on a survey of chief executives, who said worries about the cost of capital and likely profitability were a very much greater constraint on long-term investment than was the threat of takeover. According to the task force, the stock market efficiently reflects available information.

ONE OF the annual rituals of the UK Government under Mrs Margaret Thatcher has begun this week. Half a dozen senior ministers are meeting in a Whitehall committee room to discuss how much extra should be spent next year on schools, hospitals and defence. The 'Star Chamber' is in session.

Its decisions over the next fortnight will affect not only the distribution of expenditure and the margin available for tax cuts next spring, but also the political standing of those involved.

This year, the Star Chamber - a special Cabinet committee - will also see a new Chief Secretary to the Treasury, Mr John Major, seeking to confirm his reputation as one of the Cabinet's rising stars.

The process optimises the type of political bargaining which Sir Douglas Ware, a former Treasury permanent secretary, has described as "who has the muscle gets the money".

Prime Ministers have tried all kinds of devices to deal with the perennial problem of reconciling the Treasury's desire to constrain expenditure with ministers' desire to spend. Some have had special committees, while others have accepted that disputes must be decided by the full Cabinet. But this puts a hullabaloo around the minister and can lead to the total being pushed up through a series of splitting-the-difference compromises.

Conscious of this trend, and anyway disillusioning the open Cabinet, the government has decided to accept the Commission's proposals, though it will not have gone far enough down the road to reform.

On the one hand, there are dangers in the stabiliser concept itself. If the Community relies too heavily on quotas, rather than price cuts to control production and curb costs, it will freeze farming patterns and risk creating a monster almost as distorting and inefficient as an unreformed CAP. At the least, there must be free trade in quotas, preferably across frontiers, to mitigate this.

Second, however, is the need for fundamental changes to the nature of farm support. The notion that farm support can disappear altogether is politically unrealistic, but the idea that it should be increasingly divorced from production is gaining currency.

The procedure is that half a dozen ministers, including those without departmental responsibilities and those who have already agreed with the Treasury, meet to hear the case of the departmental minister and of the ever-present Chief Secretary to the Treasury.

Lord Whitelaw regards his role as that of a conciliator, ensuring that, at the end, no minister feels dissatisfied and resigns (none has so far). It is the kind of behind-the-scenes politics at which Lord Whitelaw, the former Whip and now leader of the Commons, excels.

A minister may, for example, feel aggrieved at his treatment by the Treasury and be reluctant to settle. Lord Whitelaw or Mr Wakeham will ask what is his bottom line, privately consult with the Prime Minister or

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly and more relevant CAP.

The new system would have to be phased in gradually. It would inevitably mean more farmers leaving the land. But it could help eliminate domestic surpluses, increase international competition, control costs (domestic income support could be set at limited) and maintain the countryside. It could provide a better framework for a less costly

Mr Nakasone is about to be replaced as Japan's Prime Minister. Ian Rodger asks why and evaluates the would-be successors.

# Buggin's turn and turn again

**WITHIN** THE next few days, for no apparent reason, a new Japanese Prime Minister will be chosen. Then Mr Yasuhiro Nakasone, the present Prime Minister, whose name western peoples have learned to remember, whose face they have come to recognise, will resign.

These momentous events in the free world's second most important country will take place despite the fact that there has been no general election and that Mr Nakasone does not want to resign. Nor has the present regime been tainted by scandal or a demonstration of incompetence. On the contrary, the three candidates to succeed Mr Nakasone all agree that he has been a wonderful Prime Minister and they all pledge to maintain his policies.

Mr Shintaro Abe, one of the candidates, was asked not long ago why, in these circumstances, the leaders of the ruling Liberal Democratic Party (LDP) did not simply agree to allow Mr Nakasone to remain in office. His answer: Mr Nakasone had already been given a "bonus" extra year as President and Prime Minister and they, the party's so-called new leaders, had been "in the waiting lounge too long".

Those comments sum up rather well the job of Prime Minister as seen by Japanese politicians. It is regarded, basically, as a reward for long years of loyal service as an LDP Diet (parliament) member and faction leader. And since there are many people who derive rewards it is felt that no one should hog the job for too long. Other considerations, such as leadership ability, competence and popularity, are largely irrelevant. Japanese Prime Ministers are actually not expected to do much.

In politics, as in many other fields in Japan, seniority is the most highly valued qualification. As a rule of thumb, Prime Ministerial candidates must have served seven terms in the Diet. This takes so long to accumulate that few Japanese political leaders have any outside experience or skill. Mr Abe, for example, was briefly a journalist, but has been a Diet member for 28 years. The other two candidates to succeed Mr Nakasone, Mr Noboru Takeshita and Mr Kiichi Miyazawa, entered politics in 1951 and 1952 respectively.

Also, to get an early start, family connections are almost essential: Japanese politics are probably more riddled with nepotism than those of any other democracy in the world. Mr Miyazawa is the son of a politician and is considered a maverick among the three candidates to succeed Mr Nakasone. Mr Abe is the son of a politician and is married to the daughter of the former Prime Minister, Mr Nobusuke Kishi.



MR MIYAZAWA, 68, is the only one of the three new leaders who speaks fluent English. He has a law degree from the University of Tokyo and started his career in 1941 as a Finance Ministry bureaucrat. He became assistant to the Finance Minister after the Second World War and frequently took part in negotiations with the US Occupation authorities. He entered politics in 1952 and has held a succession of increasingly senior economic and international affairs-related posts, including Minister of International Trade and Industry, Foreign Minister and Chief Cabinet Secretary. However, he has had few party jobs and has spent little time cultivating party officials.

Mr Miyazawa is probably the most liberal of the three leaders, believing strongly in the need to stimulate Japan's economy and improve the country's infrastructure. However, he has been criticised for not advancing his views forcefully enough in the past year as Finance Minister.



MR TAKESHITA, 63, is one of the three new leaders who speaks fluent English. He has a law degree from the University of Tokyo and started his career in 1941 as a Finance Ministry bureaucrat. He became assistant to the Finance Minister after the Second World War and frequently took part in negotiations with the US Occupation authorities. He entered politics in 1952 and has held a succession of increasingly senior economic and international affairs-related posts, including Minister of International Trade and Industry, Foreign Minister and Chief Cabinet Secretary. However, he has had few party jobs and has spent little time cultivating party officials.

Mr Miyazawa, 68, is the only one of the three new leaders who speaks fluent English. He has a law degree from the University of Tokyo and started his career in 1941 as a Finance Ministry bureaucrat. He became assistant to the Finance Minister after the Second World War and frequently took part in negotiations with the US Occupation authorities. He entered politics in 1952 and has held a succession of increasingly senior economic and international affairs-related posts, including Minister of International Trade and Industry, Foreign Minister and Chief Cabinet Secretary. However, he has had few party jobs and has spent little time cultivating party officials.



MR ABE, 63, graduated from the University of Tokyo and was briefly a journalist on the Mainichi Shimbun, a leading national newspaper, before entering politics. In the course of his long political career, he is best known as a backroom party man, endlessly patient in negotiations, always trying to build consensus and avoid conflict. In the past year, he has held the party's top executive position, Secretary General, at a post often regarded as the gateway to the Prime Minister's office. He became a senior lieutenant of Kakuei Tanaka, the patronage-oriented Prime Minister who was forced to resign in 1974 amid accusations about questionable property transactions. Mr Takeshita, who was the obvious successor to Mr Tanaka, nevertheless remained totally loyal to the disgraced former Prime Minister, waiting for his leader's nod. However, under growing pressure from associates, he decided in 1985 to form his own group within the faction. Despite the subsequent strain between the two, Mr Takeshita, true to form, remained patient.

Minister. The sticking point is agreeing who will go first. Mr Abe is reluctant to go second, because he doubts that Mr Takeshita would be able, two years from now, to convince his faction members to hand over the reins, and perks, of power. Mr Abe also claims that he would be better able to preserve party unity. Mr Takeshita created strong enemies within the party during his long and painful effort to distance himself and his supporters from the disgraced former Prime Minister Mr Kakuei Tanaka. Mr Takeshita is insisting that he is the leader of the strongest faction and should become Prime Minister first.

In recent weeks, Mr Nakasone and Mr Miyazawa, the current finance minister, who lead the other major factions, have been trying to undo the Takeshita-Abe-Kumoto alliance. Mr Nakasone's interest, now that he can no longer be Prime Minister, is to be a kingmaker.

Mr Miyazawa, who has 89 members in his faction, has been attempting to convince Mr Abe that they should form an alliance. Then Mr Nakasone could bring in his 87 votes and realise his dream of being kingmaker. At 68, Mr Miyazawa is the oldest of the three candidates, and so, it is argued, he would be more likely than Mr Takeshita to retire after two years and deliver the Prime Minister's chair to Mr Abe. However, there are problems with this scheme as well. The Nakasone and Miyazawa factions are not on the best terms, and neither is particularly unified. Analysts say Mr Abe has good reason to expect that they would not be any more likely than Mr Takeshita to fulfil their promises after two years.

Whatever the outcome, no one expects any significant change in the thrust of Japan's main foreign and domestic policies, which are now firmly pointed towards making the country operate more in harmony with the rest of the world. And as long as these policies, such as market opening and domestic demand stimulation, are pursued vigorously, the country may avoid the kind of foreign related crises that plagued such an imaginative leader, like Mr Nakasone, as he had a constructive impact on the course of events.

As for the political system itself, there seems little prospect of change in the near future. If anything, the system is getting more rigid. A few years ago, it was still possible for outsiders to get into the cabinet. For example, Mr Saburo Okita, a leading economic planner, became foreign minister in the early 1970s. But, barring an unforeseen leadership crisis, political outsiders don't seem to think that could happen today. There are too many politicians who have spent too much time building up their seniority.

## Accountancy divided

From Mr J Newman

Sir - The EC's eighth directive has to be implemented in the UK and therefore decisions have to be made as to whether the enabling law should depart from the minimum requirements of that directive. One decision of major importance is on work surrounding the status of auditors of limited companies. The Department of Trade and Industry has suggested no departure from the minimum requirements in that auditing firms may be incorporated and be allowed to be used by "auditors" (ie individuals not possessing a practising certificate) but "independence" should be dealt with by self-regulating organisations such as the Institute of Chartered Accountants in England and Wales. Your paper carried (October 9) two pieces on this topic following a debate of the council of that institute. It quoted reaction from three managing partners of the "big eight" firms of chartered accountants who were for the minimum requirement, with some reservations, while the council decided differently.

Your report was not the full picture. As far as the "big eight" firms are concerned, two have gone on record to oppose any offers of shares to outsiders. They are Peat Marwick McLintock and Price Waterhouse and Co. Also the council's debate was by no means unanimous and it did not fully recognise that the accountancy profession has now decided differently.

On the one hand are multi-national enterprises with extensive international links who audit and act for the great majority of companies that are listed on the Stock Exchange and on Exchanges in the EC and North America. On the other hand there are medium and smaller size firms which audit the smaller limited companies. These clients are, by and large, entrepreneur and family-run enterprises who because of their size have no intention at this stage of offering their shares to the wider public. I feel that the allowance of outside shareholders could produce for some of the small firms a welcome improvement in standards and also the provision of outside finance and better facilities for the sale and purchase of practices. All these moves would make this sector of the profession more efficient and better organised, ultimately leading to the provision of a wider range and higher standard of service and advice to individual businessmen and commercial activities in the United Kingdom. It would also be consistent with the position in most member states.

The concomitant of allowing incorporated firms of accountants to have "outside shareholders" up to the 49 per cent figure could be that they would

be excluded from reporting as auditors on companies quoted on the Stock Exchange. With regard to the "big 8" which would not venture to suggest what restriction should be placed on their shares if they were incorporated. Perhaps this should be left to the Stock Exchange.

## Letters to the Editor

John A Newman,  
Charter Wood King,  
1 Old Burlington Street, WI.

**Importing Coal**

From Mr A Maynes  
Sir - Your leader entitled "Price discipline in electricity" (October 9) repeats an unfortunate fallacy which belittles the discussion on privatisation of electrically names that substantial cost savings could be made by the electricity industry if it were "free to buy coal agreeably on the world market".

The real tragedy for this country has been that the opportunity cost of capital has been ignored and far too much of our scarce capital resources has been spent relatively unproductively both on power stations and in the past on coal mines.

The position can be remedied in relation to coal only if the unions and the management greatly increase productivity by flexible working and so raise the real return on capital. Unfortunately the present industrialisation on the continent indicates that neither side is any nearer to reconciling their differences. Unless they do so the basic premise of the above argument that British Coal can supply the market at competitive prices and cover its costs - will be upset and the UK coal industry will then have to shrink possibly by as much as 50% if the UK is to avoid continuing large subsidies to the coal industry which will have to be paid by higher electricity prices and taxes and will make British industry less competitive in world markets.

Alan M Maguire,  
84 Holders Hill Road, NW1.

## The meaning of risk

From the Director, Investments, Abbey Life.

Sir - There has been recently a suggestion from the Securities and Investments Board that unit trusts should be graded according to their risk profile. In some quarters the idea has received qualified support.

The future of electricity generation is thus inevitably linked to the future of the coal industry. So long as British Coal can supply that market at competitive prices and cover its real costs - including its cost of new capital - then there is little virtue in spending large sums on building facilities to import coal and having to write off the assets of communities dependent

on mining the coal replaced. Moreover since the total world trade in free coal (that is coal not used in the country of production for generation of electricity and other industrial uses) is about 350m tonnes it must also be apparent that to take even half the UK requirements - say 40m tonnes - would represent a new customer for over 10% of available free coal. Even if production was substantially increased and new facilities do permit this world coal prices would not remain at the present depressed level.

The real tragedy for this country has been that the opportunity cost of capital has been ignored and far too much of our scarce capital resources has been spent relatively unproductively both on power stations and in the past on coal mines. The position can be remedied in relation to coal only if the unions and the management greatly increase productivity by flexible working and so raise the real return on capital. Unfortunately the present industrialisation on the continent indicates that neither side is any nearer to reconciling their differences. Unless they do so the basic premise of the above argument that British Coal can supply the market at competitive prices and cover its costs - will be upset and the UK coal industry will then have to shrink possibly by as much as 50% if the UK is to avoid continuing large subsidies to the coal industry which will have to be paid by higher electricity prices and taxes and will make British industry less competitive in world markets.

David J Brech,

33 Grosvenor Place SW1.

## Poorly paid Revenue

From the General Secretary, HM Revenue Staff Federation.

Sir - May I follow Mr Denis Crowe's letter of October 13?

An aspect of the argument which has received scant attention is the impact of generous private sector remuneration packages, which include valuable perks upon the public sector.

Elsewhere in your same issue you report a CBI prediction of a UK shortfall of computer staff of £3,000 by 1991. Mr Crowe reports that at £13,000 pa a computer sector employee could expect a car. That is around the top end pay for an inspector of taxes.

Small wonder perhaps that our October IRSF newspaper carries eight pages of jobs offering, for example, the grade immediately below an inspector (a grade on around £16,500 pa at the maximum) up to £17,000 "plus benefits".

But my immediate concern here is not the pay of Inland Revenue Staff - that is presently a matter for negotiation.

My point is the absence of any serious attention (as, if I may say so, is the case with the socio-economic implications of the over-heated south east) to the consequences for public service. Are we not to care if it (the service) is not there, or there but limited?

What is the policy? It cannot

be privatised.

Tony Christopher,

231 Vauxhall Bridge Road, SW1.

plays a big role in waging potential supporters, and in the last few months the three have been holding big fund-raising parties around the country. On the other hand it does not appear that many factions within the LDP as the candidates try to make alliances of convenience that would enable them to win the support of the majority of LDP Diet members.

In search for support, the candidates are offering various forms of patronage, such as Cabinet and parliamentary committee positions and jobs within the party hierarchy. Money

will be held among the 445 LDP members in the two houses of

His faction is the largest, with 114 members, and it appears that his attempt to form an alliance with Mr Abe, who has 89 members in his faction, would be successful. That prospect convinced Mr Toshiro Komoto, who leads a minor faction of 31 members, to join the nascent alliance last month. For a while, it looked as if the election was sewn up.

However, the Takeshita-Abe alliance has problems. The idea behind it was that the two men, who are both 63, would take

two-year turns at being Prime general, was a slight favourite. His faction is the largest, with 114 members, and it appears that his attempt to form an alliance with Mr Abe, who has 89 members in his faction, would be successful. That prospect convinced Mr Toshiro Komoto, who leads a minor faction of 31 members, to join the nascent alliance last month. For a while, it looked as if the election was sewn up.

Going into the race, Mr Takeshita, the former finance minister and now LDP secretary

general, was a slight favourite.

His faction is the largest, with 114 members, and it appears that his attempt to form an alliance with Mr Abe, who has 89 members in his faction, would be successful. That prospect

convined Mr Toshiro Komoto,

who leads a minor faction of 31 members, to join the nascent alliance last month. For a while, it looked as if the election was sewn up.

However, the Takeshita-Abe alliance has problems. The idea

behind it was that the two men, who are both 63, would take

two-year turns at being Prime

general, was a slight favourite.

His faction is the largest, with 114 members, and it appears that his attempt to form an alliance with Mr Abe, who has 89 members in his faction, would be successful. That prospect

convined Mr Toshiro Komoto,

who leads a minor faction of 31 members, to join the nascent alliance last month. For a while, it looked as if the election was sewn up.

Going into the race, Mr Takeshita, the former finance minister and now LDP secretary

general, was a slight favourite.

His faction is the largest, with 114 members, and it appears that his attempt to form an alliance with Mr Abe, who has 89 members in his faction, would be successful. That prospect

convined Mr Toshiro Komoto,

who leads a minor faction of 31 members, to join the nascent alliance last month. For a while, it looked as if the election was sewn up.

However, the Takeshita-Abe alliance has problems. The idea

behind it was that the two men, who are both 63, would take

two-year turns at being Prime

general, was a slight favourite.

His faction is the largest, with 114 members, and it appears that his attempt to form an alliance with Mr Abe, who has 89 members in his faction, would be successful. That prospect

convined Mr Toshiro Komoto,

who leads a minor faction of 31 members, to join the nascent alliance last month. For a while, it looked as if the election was sewn up.

Going into the race, Mr Takeshita, the former finance minister and now LDP secretary

general, was a slight favourite.

His faction is the largest, with 114 members, and it appears that his attempt to form an alliance with Mr Abe, who has 89 members in his faction, would be successful. That prospect

convined Mr Toshiro Komoto,

who leads a minor faction of 31 members, to join the nascent alliance last month. For a while, it looked as if the election was sewn up.

However, the Takeshita-Abe alliance has problems. The idea

behind it was that the two men, who are both 63, would take

two-year turns at being Prime

general, was a slight favourite.

His faction is the largest, with 114 members, and it appears that his attempt to form an alliance with Mr Abe, who has 89 members in his faction, would be successful. That prospect

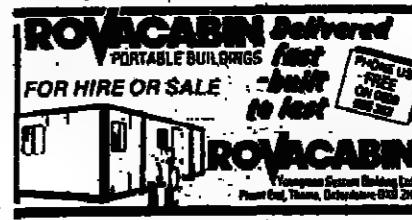
convined Mr Toshiro Komoto,

who leads a minor faction of 31 members, to join the nascent alliance last month. For a while, it looked as if the election was sewn up



# FINANCIAL TIMES

Friday October 16 1987



## Fiji Governor-General offers resignation

BY ROBERT MAUTHNER IN VANCOUVER AND ROBIN PAULEY IN LONDON

RATU SIR Penia Ganilan, the Governor-General of Fiji, tendered his resignation to the Queen yesterday "owing to the uncertainty of the political and constitutional situation in Fiji" and the Queen accepted it "with regret", her press secretary announced in Vancouver.

The move was seen by officials at the Commonwealth Heads of Government Conference in Vancouver as an attempt to resolve the crisis caused by the declaration of martial law last week by Col. Ratu Sirivatu Rakoboi, the leader of two recent military coups in Fiji.

Most Commonwealth members, with the exception of India, would like Fiji to remain a member.

Whether Col. Rakoboi will succeed in gaining such unanimous backing is highly doubtful. Fiji is likely to win the support of Australia, New Zealand, Britain, Nigeria and most of the African states but Mr Rajiv Gandhi, the Indian Prime Minister, has already made clear to the Conference

that he is opposed to any action of the Fiji crisis which guarantees political supremacy to the Melanesian majority of the population, and does not take into account the democratic rights of the Indians who are in a minority.

The message received by the Queen from Ratu Ganilan said: "Owing to the uncertainty of the political and constitutional situation in Fiji I have now made up my mind to request Your Majesty to relieve me of my appointment as Governor-General with immediate effect. This I do with the deepest regret; but my endeavours to preserve constitutional Government in Fiji have proved in vain and I can see no alterna-

tive way forward."

The statement issued by the Queen's Press Secretary said that in the light of the Governor-General's decision he could no longer effectively exercise executive authority in Fiji the Queen had accepted his resignation with regret.

"Her Majesty is sad to think that the ending of Fiji's allegiance to the Crown should have been brought about without the people of Fiji being given an opportunity to express their opinion on the proposal."

The latest developments in the Fijian affair will be discussed by the Commonwealth Heads of Government at their retreat in the Lake Okanagan.

## Champions hit by sanctions fatigue

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN VANCOUVER



UK Prime Minister Margaret Thatcher - not budging an inch

THE COMMONWEALTH Heads of Government meeting in Vancouver has so far been tame after it convened with its former African predecessors in London in 1986 and Nassau in 1985. The futuristic and spotless harbour-side trade convention centre has remained unscathed by the bloodbath over sanctions which, in the recent past, has enlivened the biennial proceedings.

Why this has been so is somewhat of a mystery. The disagreement over the effectiveness of sanctions between Britain and South Africa between Mrs Margaret Thatcher, the British Prime Minister, and virtually all her colleagues, remains as profound as ever.

Yet the greatest champions of sanctions, such as President Kenneth Kaunda of Zambia and Mr Robert Mugabe, Zimbabwe's Prime Minister, have become curiously resigned to the imposed

ability of persuading Mrs Thatcher to budge an inch. The phased approach has been described as "dangerously ineffective".

"Sanctions fatigue" is what Mr Joe Clark, the Canadian External Affairs Minister, whose experience in such matters as a frequent air traveller is great.

It is not, however, that the occasion has been lacking entirely in confessional interest. Some combative jousting has taken place at pre-meetings of the Commonwealth, particularly towards the developing world, the bait, like the country's famed salmon. As a result, the price paid by Mr Clark to Sir Geoffrey Howe, his British colleague, whose influence over the proverbial British source is at best tenuous, and an official Canadian note-taker has been sent to British briefings.

The British source, whose self-imposed anonymity is compensated for by a bluff northern aggressiveness, has offended local opinion not only by his manner. His questioning of official Canadian figures purporting to

show the extent to which Canada trade with South Africa had been reduced as the result of the application of sanctions.

This has been interpreted as an attempt to undermine Canada's fundamental position on South Africa.

The Canadian press, whose scepticism about its own political leaders is matched only by its zeal in defending their foreign policies, particularly towards the developing world, has risen to the bait, like the country's famed salmon. As a result, the price paid by Mr Clark to Sir Geoffrey Howe, his British colleague, whose influence over the proverbial British source is at best tenuous, and an official Canadian note-taker has been sent to British briefings.

A storm in a teacup? Perhaps. But international incidents are made of such stuff.

## Eurotunnel sets date for offer

By Paul Bettis in Paris

PARTNERS in Eurotunnel, the Anglo-French Channel tunnel consortium, have agreed to launch a £750m (\$1.24bn) public offering of shares on November 16.

Mr Graham Corbett, who has been running accountants Peat Marwick's continental Peat Marwick in Paris, who became chairman of the consortium's two co-chairmen, Mr Alastair Morton and Mr Andre Benard.

Mr Corbett will help set up a strong permanent financial structure for the consortium as funds from the recently syndicated £55m bank loan and next month's equity offering start to flow in.

Eurotunnel's flotation will be preceded by a capital structure turn-around aimed at reducing the nominal value of the company's shares to bring them more in line with UK stock market prices.

Share values have traditionally been much higher in France than in the UK. One leading financier remarked: "Anything under FF700 (\$50) does not look very吸引 in France and is regarded as a panacea."

Eurotunnel's share capital is made up of units, each comprising one British share and one French share. When institutional investors subscribed to a private placing last autumn, the units were issued at FF120 plus £12 each.

Institutions were told that the public offering of Eurotunnel units would be at a 40 per cent premium to this price, valuing each unit at about FF170 plus £17.

However, the partners have agreed to reduce the nominal value by issuing 10 for every one held. The new units will therefore be priced at about FF70 plus £17, or in other words about £3 to 24 each.

A total of 100m worth of stock will be sold in London, £300m worth in Paris and the remaining £150m worth on other international stock markets.

An underwriting and selling syndicate has been formed for the French offer led by Banque Indosuez, Credit Lyonnais, and Banque Nationale de Paris and including the Crédit Agricole and the Caisse des Dépôts. Paris is increasingly optimistic over the prospects of the £300m British portion of the offer.

## British Petroleum sell-off is biggest ever international issue

BY RICHARD TORMING IN LONDON

THE UK Government yesterday launched its 27.2bn (\$31.1bn) bid for sale of shares in British Petroleum, the state-owned oil company. Although it is the world's largest share offering, it is the biggest sale of shares yet in the growing international equity market.

Half the 2.2bn shares will be offered to the British public at the fixed price of £30, and the remainder will be sold to institutional investors in Britain and overseas at a minimum tender price set at the same level.

M. Rothschild, the Government's merchant bank adviser, said that levels of demand for the share offering overseas were very high and that the underwriting of the issue had been one of the smoothest for some time.

Philip Stephens, Economics Correspondent, writes: Arrangements for the BP offer mean that the Government will not be able to meet its target of 31.5m new shares in BP, and the rest are new shares being issued by BP itself to raise £1.5bn for the company's development.

However, if the British offer is more than 1½ times subscribed, the Government may increase it to 62.5 per cent of the total offer at the expense of the institutional portion. If it is more than twice subscribed, then will double the offer.

Privatisation of state assets was the main theme of Mrs Thatcher's historic third consecutive election win last summer. So far this year, receipts from asset sales total just over £266 initially. Mr Lamont said

the issue would be "another step on the road towards real privatisation".

Mr Gordon Brown, the opposition Labour Party spokesman, yesterday said he calculated the total cost of the issue on subsidies, bonuses and City of London fees would be at least £1.5bn and attacked the sell-off as "a disgrace".

Philip Stephens, Economics Correspondent, writes: Arrangements for the BP offer mean that the Government will not be able to meet its target of 31.5m new shares in BP, and the rest are new shares being issued by BP itself to raise £1.5bn for the company's development.

However, if the British offer is more than 1½ times subscribed, the Government may increase it to 62.5 per cent of the total offer at the expense of the institutional portion. If it is more than twice subscribed, then will double the offer.

Privatisation of state assets was the main theme of Mrs Thatcher's historic third consecutive election win last summer. So far this year, receipts from asset sales total just over £266 initially. Mr Lamont said

## Belgian government crisis

Continued from Page 1

(CVP), who issued an ultimatum that action had to be taken to remove Mr Happart by yesterday.

His options had been raised in the past few days by rumours of a Martens compromise which, if implemented, would have led to the eventual dismissal of Mr Happart. But despite protracted negotiations - including a meeting of senior ministers which ended at 5.30am yesterday - nothing was agreed.

In an effort to encourage small shareholders to apply a minimum application level of 80 shares has been set costing 266 initially. Mr Lamont said

that his resignation prompted the four parties to patch over their differences and agree a temporary solution. The Prime Minister staved off another crisis with a new compromise in June, which many observers felt could last until the next election in April 1989.

The options now are for another compromise to be stitched together behind the scenes, or an early poll. "Anything is possible," a government official said last night.

The Belgian stock market fell sharply yesterday, partly on developments in Wall Street but also on fears that a new coalition might bring back the Socialists and weaken the Government's commitment to budgetary restraint.



## Chemical raises rate

Continued from Page 1

this rise is reflective of the spirit of our recent consultation."

Then he added remarks which were interpreted as indicating that he was prepared to see a further decline in the dollar on the foreign exchanges.

Referring to the February agreement at the Louvre in Paris is on co-ordinating economic policies between the seven major industrial countries. Mr Baker said, "we have seen adjustments under the Louvre framework before, for example the Yen/dollar adjustment in April. That adjustment was managed effectively and it contributed to a lengthy period of

stability."

Apart from voicing strong criticism of West German monetary policy Mr Baker, in the wake of another increase in the prime rate and a record plunge in share prices on Wednesday, set out to try to calm inflationary fears in the financial markets.

He said that the September

increase in the Federal Reserve's Discount Rate had demonstrated that the central bank is "sensitive to inflationary expectations."

But he added, "we think inflationary expectations are overblown. Inflation is under control."

## Leaders to work for more open trading

By our Diplomatic Correspondent

COMMONWEALTH LEADERS yesterday adopted a declaration on world trade strongly opposing the implementation of protectionist measures which they said would increase the risk of further exchange rate instability and exacerbate the problem of indebtedness.

The declaration also said the Commonwealth heads of government had agreed on the crucial need for reform of all trade-distorting agricultural policies, both domestic and international.

They urged early action on agriculture in the Uruguay Round so as to reduce the uncertainty, imbalances and instability in world markets.

The declaration also said the pound inflates the bag in the bag, the Government can look back on the whole exercise with reasonable satisfaction. It arrived three months too late to catch the peak of the London market, but the \$35p market price, which served as benchmark for the 16 per cent down from July's all-time high. The tying of the share price from late August by the Government's advisers was also a neat piece of work, even if it was largely undone in the last couple of weeks by the market's determination to push the price back down again.

For the private investors, the 30p share looks safe enough. Given the 15p discount to the prevailing price and the 20p-odd time value of the second and third instalments, the price of the 120p partly-paid could in theory go as high as 160p - a premium of over 30 per cent. Much can happen, of course, between now and first dealing on October 30, but it would take a fall of over 10 per cent in the fully paid - from 350p to \$100 - to wipe out the premium entirely.

The same for the UK institutions are slightly harder. Those who are already up to weight in BP and are being topped up by the one-for-twelve rights issue may ask themselves why they should bother, especially since the clawback provisions could leave them with 15 per cent of the issue. This in turn would make the impact on institutional cash flow surprisingly slight.

Allowing for the 50 per cent of the rights issue to which UK institutions are entitled, the allocation could be as little as £1.5bn, or a first payment of £35m which have been depressed by exceptional items. However, the new acquisition should recover strongly next year, and prospective 1988 earnings of 40p, say, should only be diluted by a couple of points.

Meanwhile, Bowater's main acquisition team stresses that Reman is not the rumoured new leg for the business that it has been seeking. Its gearing will only be 60 per cent by the year end, leaving the new chairman an old BTB hand, after all plenty of room for another chunky acquisition.

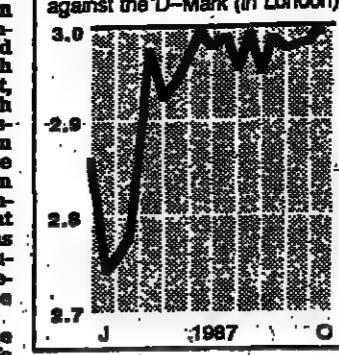
## Sterling

Much as the markets were up set by Wednesday's US trade figures, the numbers have at least temporarily relieved the UK authorities of their problem on the pound/D-Mark exchange rate. It is not likely to disappear for long. Since May sterling has been repeatedly knocking up

## THE LEX COLUMN

## BP's partial allure

Sterling against the D-Mark (in London)



against DM3, reckoned to be the limit to which the Government is prepared to let the pound rise. At times only some quite heavy intervention has prevented it from doing so.

However, intervention is only a short-term solution. Selling the pound inflates the M3 aggregate, with consequent fears of inflation. Even if the authorities are no longer interested in M3 for targeting purposes, the gilt-edged market still looks at it, and expects extra funding to offset the intervention.

The position is not yet desperate and next week's UK trade figures might have an effect on the D-Mark. Sterling is unlikely to be depressed for long. If intervention cannot be continued for ever, the UK Government has a simple choice - cut interest rates or let the pound rise.

The UK company has had to top a \$53 a share offer from Mr Asher Edelman, the ubiquitous US corporate raider, to win the support of the local managers. Given the scale of the acquisition, the UK government could well be forced to sell the business.

The UK company has had to top a \$53 a share offer from Mr Asher Edelman, the ubiquitous US corporate raider, to win the support of the local managers. Given the scale of the acquisition, the UK government could well be forced to sell the business.

CREDIT LYONNAIS WILL SOON SUBJECT TO REGULATORY APPROVALS, BECOME THE NEW PARENT OF ALEXANDERS LAING & CRUICKSHANK HOLDINGS LTD. AS ONE OF THE WORLD'S LARGEST BANKS, THEY AIM TO PROVIDE US WITH ADDITIONAL CAPITAL RESOURCES, REINFORCE OUR SPECIALIST STRENGTHS AND COMBINE SOME OF THEIR EXPERTISE WITH OURS.

Alexanders Laing & Cruickshank Holdings Ltd

THE INTERNATIONAL SECURITIES HOUSE

66 CANNON STREET, LONDON EC4N 6AE  
TELEPHONE: 01-236 0233 TELEX: 888256

Stock	Price	Change	Market
Abellio	12.50	-0.25	Dutch
Admiral	12.50	-0.25	London
Airton	12.50	-0.25	London
Alcatel	12.50	-0.25	Paris
Alcatel	12.50	-0.25	Paris
Alcatel	12.50	-0.25	Paris
Alcatel	12.50	-0.25	Paris
Alcatel	12.5		

Friday October 16 1987

## AT&T carries out big computer side shake-up

BY ANATOLE KALETSKY IN NEW YORK

AMERICAN TELEPHONE & Telegraph yesterday announced a major reorganisation of its loss-making computer division, in a move which clearly signals its determination to stay in the computer business and to translate the widely-recognised technological superiority of its computer products into strong financial results.

The move follows last month's announcement of two powerful new AT&T computers. One, the 333, will be the first personal computer to take full advantage of the enhanced capabilities of the Intel 80386 microprocessor incorporated in the new generation of IBM and other machines.

The other, the 3B4000, was AT&T's biggest minicomputer to date, aimed at the 17bn business processing market, which includes airline reservations and

bank teller systems.

The main effect of yesterday's organisational change will not be only to upgrade AT&T's computer business within the corporate hierarchy, but also to expand its sales force.

The huge losses sustained by the AT&T computer business - estimated at almost \$1bn last year - have generally been attributed to poor marketing, rather than manufacturing problems or product design.

AT&T's personal and minicomputers have generally been highly-regarded within the industry, particularly because of the superior capabilities of the company's Unix operating system, in comparison with the MS-DOS system used by IBM.

But unlike Digital Equipment, another technology-driven computer manufacturer which has man-

aged to overtake IBM in several important markets, AT&T has failed to get its message across to customers.

One reason identified by many Wall Street analysts was the absence of a sales force specifically dedicated to marketing computers.

AT&T is now putting both computer manufacturing and sales under the direct control of Mr Vittorio Casconi, a rapidly-rising executive who was recruited last year from Olivetti of Italy. His mission is to revamp the AT&T's computer activities.

Mr Casconi, whose data systems division was formerly part of AT&T's business markets group and shared its sales force with other business products, will now head a newly-formed data systems group, reporting directly to Mr Randall Tobias, AT&T's vice-chairman

and consumer and commercial finance arm.

BWAC, the company Transamerica is buying from Borg-Warner, includes the Borg-Warner Acceptance Corporation and several other inventory and business financing subsidiary. BWAC's total assets at the end of June were \$4.1bn and its after-tax profits in 1986 were \$75.9m.

The acquisition will therefore add nearly a quarter to Transamerica's total size.

At the end of June Transamerica's total assets were \$17.3bn, de-

ployed mostly in insurance, transpor equipment leasing and consumer finance. Its after-tax earnings in the first nine months of 1987 were \$354.9m.

Borg-Warner, which sought refuge in private ownership after an aggressive takeover bid from Mr Samuel Heyman's GAF Corporation, the sale of BWAC is likely to be followed by further significant asset disposals. The leveraged buyout, which was led by Merrill Lynch Capital Partners, increased Borg-Warner's debt to around \$4bn.

Transamerica's total assets at the end of June were \$4.1bn and its after-tax profits in 1986 were \$75.9m.

The acquisition will therefore add nearly a quarter to Transamerica's total size.

At the end of June Transamerica's total assets were \$17.3bn, de-

## Borg-Warner sells finance arm

BY OUR NEW YORK STAFF

BORG-WARNER, the diversified Chicago-based motor components engineering company which was taken private last summer in a \$4.2bn leveraged buyout, has sold its commercial finance business to Transamerica for \$763.5m.

For Transamerica, which was at one time a widely-diversified financial conglomerate based in San Francisco, the purchase is the latest step in a long-term restructuring designed to take the company out of its many "non-core" businesses and focus all its activities in insurance

## Continental Illinois 46% ahead

By Our New York Staff

CONTINENTAL ILLINOIS, the big Chicago bank which has been operating under federal government supervision since its near-collapse three years ago, reported a 46 per cent jump in net income to \$60.1m or 34 cents a share, compared with \$41.1m or 15 cents in the third-quarter of 1986.

The bank's total assets at the end of last month were \$31.5bn, compared with \$26.5bn a year earlier.

Continental said that sharp declines in investment portfolio gains and interest collections from Brazil and Ecuador were more than offset by gains from venture capital interests and lower loan loss provisions. It transferred \$203m of poor quality loans to the Federal Deposit Insurance Corporation during the quarter, bringing to \$1.5bn the total loans assumed by the FDIC as a result of the 1984 rescue. Continental Illinois' right to transfer such loans expired on September 26, 1987.

• Marine Midland Banks, the New York-based affiliate of Hong Kong and Shanghai Banking Corporation, achieved a 39 per cent improvement in net profits, to \$49.3m or \$2.47 a share, in the third-quarter, on total assets of \$25.1bn, compared with \$35.4m or \$1.75, on assets of \$23.5bn a year ago.

The higher profits partly reflected a 22 per cent growth in the bank's average loans outstanding, partly offset by a tightening of interest margins.

There was also strong growth in non-interest earnings from fee-based services.

## Semiconductor sector lifts Motorola

By Louise Kehoe  
in San Francisco

MOTOROLA, the US electronics manufacturer, reported a strong rise in sales and earnings boosted by sharply-higher profits in the semiconductor sector.

Earnings rose to \$70m, or 54 cents a share, from \$33m or 24 cents in the third-quarter of last year.

Revenues increased from \$1.4bn to \$1.7bn. For the nine-month period, earnings were \$206m or \$1.60 a share, up from \$131m or \$1.04 in the same period a year ago. Sales increased to \$4.9bn from \$4.3bn.

The company said semiconductor sales rose by 23 per cent in the third-quarter with sharply-higher profits and record demand for microprocessors - the chips used to build personal computers and computer workstations.

Sales increased throughout the company's communications, automotive electronics, government electronics and information products operations.

However, Motorola said profits were down in the government electronics division and that the computer group operated at a loss during the quarter.

## Philip Morris posts sharp improvement

BY OUR NEW YORK STAFF

PHILIP MORRIS, the large US tobacco, food and brewing group, has reported a strong advance in third-quarter earnings, despite a heavy charge to earnings for the reorganisation of its General Foods subsidiary.

Philip Morris, which is based in New York City, reported a 21.3 per cent increase in third-quarter earnings to \$502m or \$2.11 a share. Sales increased 4.9 per cent to \$5.97bn.

However, earnings in the third-quarter were reduced by \$2m or 9 cents a share as a result of a \$117m pre-tax charge against earnings for the restructuring of General Foods.

## HCA net income rises to \$66.5m in quarter

BY OUR NEW YORK STAFF

HOSPITAL CORPORATION of America, the large US health care group which recently sold 104 low-profit hospitals to its employees, has increased its third-quarter net income to \$66.5m or 50 cents a share from \$53.8m or 45 cents in the corresponding 1986 quarter.

But the results are so distorted by the \$1.6bn hospital sale and by charges to account for HCA's wrenching adjustment to its difficult market, that comparison between the two quarters is impossible. Sales revenues, which include the contribution of the divested hospitals up to August, were \$1.18bn, up \$1.24bn.

The group puts nine-month net income at \$200m or \$2.52 a share against \$216.7m or \$2.57 previously on revenues of \$3.8bn against \$3.7bn.

HCA, which as industry leader has been badly hit by price controls on the US Government's Medicare programme and cost-cutting by insurers, said the third-quarter figures included: a \$154m after-tax gain on a hospital sale; a \$73m pre-tax charge to recognise uncollect-

able bills; and a \$126m pre-tax write-down of investments and properties.

In addition, HCA is continuing to bear heavy costs from its attempt to write its own health insurance, now a joint venture with the Equitable Life insurance group and known as Equicor.

HCA's share in Equicor's third-quarter loss was \$12.5m but the company said it remains committed to the business.

Mr Thomas Frist, HCA chairman, said the results "do not fully reflect the benefits of HCA's significant restructuring programme."

The hospital sale will permit HCA to buy back about 500,000 of its own stock under a tender offer which closes on October 22 and to pay back some \$850m in debt, he said.

If all the transactions had occurred before the beginning of the year, he said, HCA would have earned \$70m or 50 cents a share in the first nine months of this year after charges. Revenues would have been \$2.07bn.

## Digital's results disappoint market

BY OUR NEW YORK STAFF

DIGITAL EQUIPMENT, the successful US computer company which has become one of the highest-flying stocks on Wall Street, last night reported disappointing results which seem to confirm a gradual flattening in its spectacular growth curve.

Digital made net profits of \$70m, or \$2.04 a share, in the three months ended September 26, the first quarter of its financial year.

Although these profits were 48 per cent above the \$182.5m reported a year ago, they could prove inade-

## Coca-Cola raises earnings by 16%

By Our New York Staff

COCA-COLA, the leading US soft drink company, increased its net income by 16 per cent to \$271m or 72 cents a share in the third quarter from \$233m or 60 cents a year earlier.

The company's operating revenue fell by 2 per cent to \$2.45bn, largely because of the continuing programme of asset disposals and blockbuster spinoffs which has become a hallmark of Coca-Cola's corporate strategy in recent years.

The latest such sale has been the public offering of 51 per cent of TCC Beverages, the main Canadian distributor of Coca-Cola.

Volumes in the core soft drink division have continued to grow steadily, with a 5 per cent gain in the US and a 3 per cent improvement overseas.

International operating income increased "significantly" faster than volume because of margin improvements and currency translation benefits.

The company's profit in the third quarter included a pre-tax capital gain of \$41m related to the TCC flotation. However, this one-time benefit was largely offset by a \$36m pre-tax charge related to cutbacks in Coca-Cola's food division, where demand has been weak for the company's most important product, Minute Maid orange juice.

Coca-Cola's entertainment business sector, which includes the Columbia Pictures film and television studios, suffered a decline in operating earnings.

This business is to be combined with Tri-Star Pictures, which is currently a 37 per cent owned affiliate of Coca-Cola, and then floated on the stockmarket within the next few months.

## Strong demand at Bowater Inc lifts profits

By Our Financial Staff

BOWATER INC, the largest US newspaper manufacturer, boosted third-quarter net profits from \$115m, or 36 cents a share, to \$126m, or 39 cents, with strong demand, better production and higher prices benefiting every leading product line.

The company, which is also a big producer of coated papers, kraft market pulp, and computer business forms, has had a good year, raising its dividend by 11 per cent in January.

Third-quarter sales rose from \$237.3m to \$263.9m, and the nine-month profit figure was \$51.6m, or \$1.35 a share, against \$33.5m or \$1.07.

Mr Anthony Gammie, chairman and chief executive, said that a glut in lightweight coated paper anticipated by some did not occur, and in contrast the upturn, predicted by the company, was quite sharp.

## Apple beats earnings expectations

By Our San Francisco Correspondent

APPLE COMPUTER, the US personal computer manufacturer, has reported stronger than expected earnings and sales for the fourth quarter.

Sales rose 24 per cent to \$768.4m while earnings were well above analysts' predictions at \$71.7m or 54 cents a share, an increase of 11.5 per cent on the \$62.9m or 50 cents earnings registered in the same period last year.

For the full year, Apple's sales rose by 41 per cent to \$2.7bn from \$1.9bn in fiscal 1986. Net earnings for fiscal 1987 were \$217m or \$1.03 a share - a 41 per cent advance on the \$154m or \$1.20 (adjusted for a two-for-one stock split) recorded in fiscal 1986.

The company put nine-month net income at \$200m or \$2.52 a share against \$216.7m or \$2.57 previously on revenues of \$3.8bn against \$3.7bn.

Apple's share in Equicor's third-quarter loss was \$12.5m but the company said it remains committed to the business.

Mr Thomas Frist, HCA chairman, said the results "do not fully reflect the benefits of HCA's significant restructuring programme."

The hospital sale will permit HCA to buy back about 500,000 of its own stock under a tender offer which closes on October 22 and to pay back some \$850m in debt, he said.

If all the transactions had occurred before the beginning of the year, he said, HCA would have earned \$70m or 50 cents a share in the first nine months of this year after charges. Revenues would have been \$2.07bn.

Digital's results were also well below the \$277m earnings it reported in the three months to June. When those results were announced last July, they set off a wave of selling in spite of being 50

## US DRUGS GROUP BRINGS GLIMMER TO WALL STREET

## Merck lifts earnings by 37%

By JAMES BUCHAN IN NEW YORK

MERCK, the large US pharmaceuticals group that is Wall Street's wonder stock, yesterday reported an impressive 37.5 per cent increase in net earnings for the third quarter to \$237.7m. Per-share earnings were up 49.2 per cent at \$1.74.

The results, which show an acceleration of profit growth at the New Jersey company, brought a glimmer to yesterday's market, with Merck stock climbing \$3.24 to \$18.5 in early trading.

Merck's operating revenue rose 12 per cent to \$2.45bn in early trading. Merck, the most highly-valued stock relative to earnings in the Dow Jones Industrial Average, had fallen more than 57 in Wednesday's market collapse.

Sales in the September quarter grew at a more modest 24 per cent to \$1.51bn. But much of the growth is coming from new drugs, such as Merck's Vasotec hypertension drug, which started its market debut in the second quarter.

Upjohn, a more diversified drug company, yesterday reported a 23 per cent climb in earnings in the third-quarter to \$75.1m or 10 cents a share.

Upjohn, a more diversified drug company, yesterday reported a 23 per cent climb in earnings in the third-quarter to \$75.1m or 10 cents a share.

Upjohn, a more diversified drug company, yesterday reported a 23 per cent climb in earnings in the third-quarter to \$75.1m or 10 cents a share.

Upjohn, a more diversified drug company, yesterday reported a 23 per cent climb in earnings in the third-quarter to \$75.1m or 10 cents a share.

Upjohn, a more diversified drug company, yesterday reported a 23 per cent climb in earnings in the third-quarter to \$75.1m or 10 cents a share.

Upjohn, a more diversified drug company, yesterday reported a 23 per cent climb in earnings in the third-quarter to \$75.1m or 10 cents a share.

Upjohn, a more diversified drug company, yesterday reported a 23 per cent climb in earnings in the third-quarter to \$75.1m or 10 cents a share.

Upjohn, a more diversified drug company, yesterday reported a 23 per cent climb in earnings in the third-quarter to \$75.1m or 10 cents a share.

Upjohn, a more diversified drug company, yesterday reported a 23 per cent climb in earnings in the third-quarter to \$75.1m or 10 cents a share.

Upjohn, a more diversified drug company, yesterday reported a 23

Wherever it is, we'll find it.

OIL. Wherever it is, we'll find it. Oil is the primary source of energy. It is the power that moves the world and will be so for many years to come.

But, it is necessary to be prepared to wrestle this treasure from the earth's most secret strongholds, using the latest continuously evolving technology, and to venture into hostile, inaccessible places.

Agip, Italy's national oil company, took up this challenge sixty years ago, probing into the origins of the earth, experimenting with new techniques, and devoting to these activities human and economic resources that are always up to the difficulties to be overcome.

Wherever the possibilities of finding oil exist, Agip is present with its spirit of initiative and decades of experience. The results achieved, alone or in cooperation with leading oil companies, in 30 countries, on 5 continents, make Agip a reliable operator in any oil activity.

Even where no-one has ever reached,



**Agip**  
Eni Group.

Deep thinking. Top results.

drill master

## INTERNATIONAL COMPANIES & FINANCE

### Dutch Government in talks over fresh Fokker financing

BY LAURA RAUN IN AMSTERDAM

**THE DUTCH GOVERNMENT** confirmed yesterday that it is holding urgent talks with Fokker and its creditor banks to arrange fresh financing for the ailing aerospace company.

A terse statement released by the Economics Ministry said: "All the parties are prepared in the very short term to determine a position with respect to the improvement of Fokker's solvency and liquidity."

Both Minister of Finance, the Economics Minister, and Mr H. Onno Ruyting, the Finance Minister, met representatives of Fokker, as well as Algemene Bank Nederland and Amsterdam-Rotterdam Bank on Wednesday to "solve the problems of further financing of development and production costs

of the Fokker 50 and Fokker 100."

Yesterday's announcement was the first time the central government has officially acknowledged being in negotiations with the Schiphol-based company.

Earlier this week, Fokker disclosed that it was seeking continuous financial support from the banks and Government, while imposing drastic austerity measures, including employee layoffs.

The news was greeted yesterday with some relief on the Amsterdam Stock Exchange, where Fokker's share price rebounded by a modest 5 per cent to Fl 45, after plunging by 25 per cent the day before on reports of a cash-flow crisis.

### Bergesen suffers modest setback

BY KAREN FOSSLI IN OSLO

**OPERATING** income at Bergesen DV, Norway's leading bulk shipowner, has declined during the first eight months of this year, to Nkr1.1bn (\$186m) from Nkr1.3bn in the same period last year due mainly to a lower US dollar exchange rate.

Profit before extraordinary items for the group fell five-fold, to Nkr1.1m in the first eight months, compared with Nkr6.32m in the same period last year.

Bergesen says that last year's profit, however, included a Nkr3.41m gain from the sale of securities while the similar figure at the end of August was just Nkr1.1m. In September, Bergesen earned Nkr1.1m from securities sales.

Shipping profits also fell, to Nkr9.06m from Nkr1.1m in the first eight months. Taking depreciation into account, operating

profit from shipping

Bergesen says the decline in shipping profits was due to large fluctuations in the freight market, particularly in oil tankers.

The group forecasts that its annual profit for 1987 will be lower than in 1986, when it reached Nkr6.33m before extraordinary items. Developments in the short term, it says, will be uncertain because of the political situation in the Gulf.

In July, Bergesen established an American Depository Receipt (ADR) for which Morgan Guaranty Trust, the US bank, acted as the depositary. The ADR facility covers both the group's A and B shares.

Bergesen plans a listing on the London Stock Exchange by next summer.

### Boliden near deal with Allis Chalmers

BY SARA WEBB IN STOCKHOLM

**BOLIDEN**, the Swedish mining, metals and chemicals group, said yesterday that it is close to completing an agreement to buy part of Allis Chalmers, the US manufacturing group, for about Skr600m (\$93m).

Boliden said legal obstacles had been cleared and that the acquisition would go through in mid-November.

Allis Chalmers is selling 10 units which manufacture and sell equipment for mineral dressing and treatment. These include Sweden-Africa and its subsidiary Sale International in Sweden, and units in Australia, Brazil, Canada, the US, France and the UK.

The 10 units had sales of Skr1.25bn and profits of about Skr150m last year, and employ 4,000.

Boliden aims to develop new products in the mining industry and build up its engineering division at home and abroad through the acquisitions.

The deal should also provide new openings for Boliden's mining and smelting consultancy business as well as for Trelleborg, the Swedish rubber products group, which makes rubber components for mining equipment.

Trelleborg has a controlling stake in Boliden and is now bidding for half-control of net group earnings, excluding minority interests, of FFr75m (\$13m), compared with FFr145m in the first six months of last year.

But the French group said yesterday that first-half performance could not be compared with the year-before period because of special factors.

In the first six months of last year, Bouygues' acquisition of

### Two businessmen take 5% stake in Banesto

BY TOM BURNS IN MADRID

**IN A KEY** development in Spanish banking, Mr Mario Conde and Mr Juan Abello, who earlier this year sold Antibioticos to Italy's Montedison group, the biggest foreign takeover of a Spanish company, have bought close to 5 per cent of the equity of Banco de Credito (Banesto) and will be appointed members of the board at the end of the month.

Mr Conde, a 35-year-old self-made millionaire who has come to represent a new entrepreneurial spirit in Spain, is also becoming deputy chairman of Banesto when Mr Jose Maria Lopez de Letona, the present deputy chairman and managing director, replaces Mr Pablo Garnica as chairman in December.

Announcing both the acquisition of Banesto shares by Mr Conde and Mr Abello and their appointment to the board when it meets on October 28, Mr Lopez de Letona said yesterday that their presence in the bank was "necessary and convenient" and that his negotiations with them had been "extremely cordial".

The deal should also provide new openings for Boliden's mining and smelting consultancy business as well as for Trelleborg, the Swedish rubber products group, which makes rubber components for mining equipment.

Trelleborg has a controlling stake in Boliden and is now bidding for half-control of net group earnings, excluding minority interests, of FFr75m (\$13m), compared with FFr145m in the first six months of last year.

But the French group said yesterday that first-half performance could not be compared with the year-before period because of special factors.

In the first six months of last year, Bouygues' acquisition of

Mr Lopez de Letona, who is 65 and was appointed Banesto's managing executive and deputy chairman in January 1986, said he expected to remain the bank's chief executive when he assumes the chairmanship.

Mr Lopez de Letona did not disclose details of the share buying, but the two partners are understood to have paid some Pta15bn (\$125m) for about 3m Banesto shares following the sale of their Antibioticos bulk pharmaceutical concerns to Montedison in March, for Pta30bn.

With an equity estimated to be between 4 and 5 per cent of Banesto, Mr Conde and Mr Abello have become, in a matter of months through acquisitions on the Madrid bourse, the two individual shareholders of Spain's second largest bank.

Their presence in Banesto as shareholders and board members radically alters the image of an institution which has long been associated with Spain's financial oligarchies and whose board members have traditionally been drawn from the ranks of former Franco minis-

try. In his first year as Banesto's chief executive, Mr Lopez de Letona wrote off all the bank's profits in order principally to resolve problems caused by its ailing Barcelona affiliate, Ban-

co Garriga Nogues.

#### NOTICE TO HOLDERS OF NOTES WITH WARRANTS

##### OF MARUZEN COMPANY, LIMITED

**U.S.\$30,000,000 3.50 per cent.  
Guaranteed Notes due 1991  
with Warrants**

**unconditionally and irrevocably guaranteed by  
THE DAI-ICHI KANGYO BANK, LIMITED  
AND**

**U.S.\$20,000,000 8.375 per cent.  
Guaranteed Notes due 1990 with Warrants  
unconditionally and irrevocably guaranteed by**

**THE MITSUI BANK, LIMITED**

**Maruzen Company, Limited (the "Company") has determined to change its fiscal year-end from 31st July to 31st March subject to the approval of its general shareholders' meeting to be held on 30th October, 1987. As a transitional measure, the Company will have an eight-month fiscal period running from 1st August, 1987 until 31st March, 1988 and thereafter its fiscal year will run from 1st April until 31st March of each year.**

**Accordingly, the record dates for the payment by the Company of annual cash dividends and interim dividends will be 31st March and 30th September, respectively, in each year.**

**Despite the change in the fiscal year, the Tax and Conditions of Sale will remain as before to the effect that with respect to any annual cash dividend or interim dividend (being a cash distribution pursuant to Article 293-3 of the Commercial Code of Japan) payable on the shares issued upon exercise of Warrants, such exercise should be deemed to have taken effect at the beginning of the dividend accrual period to which it occurs and such dividend accrual period will henceforth be the eight-month period running from 1st August, 1987 to 31st March, 1988 or, thereafter, each six-month period ending on 31st March or 30th September in each year.**

**The interest payment dates in respect of the Notes due 1981 and 1980 remain unchanged as 8th May and 4th March, respectively.**

**MARUZEN COMPANY, LIMITED**

Kazuo Edano  
President and Representative Director

### Bouygues in first-half reverse

BY PAUL BETTS IN PARIS

**SCREG**, the French road construction group, which reported lower first-half consolidated net group earnings, excluding minority interests, of FFr75m (\$13m), compared with FFr145m in the first six months of last year.

In the first half of this year, the consolidation of Screg represents a loss of FFr50m. However, Bouygues said yesterday that this reflected seasonal factors in road construction.

It added that for the entire year, Screg should contribute more than FFr100m to consolidated results.

In the first six months of last year, Bouygues' acquisition of

Bouygues expects to report group earnings for the year similar to last year's income of FFr481m. Group sales are expected to total about FFr760m this year.

Bouygues also announced this week a joint venture with IBM France to associate the two companies in the construction of so-called "intelligent buildings", ready-equipped with integrated telecommunications and computer networks.

### Forbo forecasts increase in group turnover

BY DAVID MARSH IN BONN

**A FRANCO-GERMAN** link-up in the paper business was signalled yesterday when Feldmuehle, the diversified West German paper maker, and Beigain-Say, the French sugar refine and paper group, signed a co-operation agreement.

The two companies concluded a letter of understanding to take a 50 per cent stake each in Beigain-Say's newly-established paperworks in Corbehem,

northern France. The Corbehem works produces more than 300,000 tonnes of newspaper and 40,000 tonnes of box cardboard a year.

Feldmuhle, which is one of the key companies in the Feldmuhle Nobel group, formerly part of the Flick industrial conglomerate, said in a statement that the agreement depended on accord from the West German cartel authorities.

### Chief executive of Asea Brown Boveri named

BY OUR ZURICH CORRESPONDENT

**MR PERCY BARNEVIE** is to become president and chief executive officer of Asea Brown Boveri, with effect from January 4.

The new company, to be formed on that date with provisional headquarters in Zurich, will be owned jointly by the Swedish and Swiss engineering groups Asea and BBC Brown Boveri.

Mr Barnevieu, 46, has been president and chief executive officer of Asea since 1980.

Dr Thomas Gasser, 54, will become deputy chief executive officer of the new company. He was appointed chief executive officer of BBC Brown Boveri earlier this year.

The agreement will become binding only when Feldmuhle has carried out, in the next two months, further inspection of the Corbehem plant.

Yesterday's agreement is aimed at strengthening Feldmuhle's position in the European newsprint and cardboard sector.

Beigain-Say seems to be winding down its position on the market.

### Return to black for Air France

BY OUR PARIS STAFF

**AIR FRANCE**, the French national airline, yesterday reported first-half consolidated net group earnings, excluding minority interests, of FFr326.6m (\$57m), compared with a FFr150.1m loss in the same period last year.

### Anglovaal Limited

*(Associated to the Republic of South Africa)*

*Extracts from the review of the Chairman, Mr Basil E. Hersov, for the year ended 30 June 1987*

• Group earnings rose by 44 per cent to a record R133 million, compared with R92 million in the previous financial year. This rise follows increases of 39 per cent in 1986 and 25 per cent in 1985. Main contributor to the improvement was the industrial subsidiary, Anglovaal Industries Limited (AVI).

• Total dividends paid were raised by 30 per cent to 5.5 cents from last year's 45 cents a share, covered 5.3 times and 4.8 times respectively by earnings. The average annual earnings growth rate over the past decade has been 27.2 per cent, while that for dividends was 19.8 per cent.

• Income from the Group's mining investments rose for the third consecutive year, increasing to R62 million from R55 million last year. This improvement resulted mainly from firmer rand prices.

• The containment of working costs in the face of the high inflation rates experienced in recent years - rates which are likely to persist in the foreseeable future - remains the principal challenge facing Group mines and the mining industry at large.

• Dividends received from Prieska Copper Mines contributed 297 cents per share to consolidated earnings. Prieska's mining operations at the present milling rate may be sustainable until the end of March 1988. Even if the most optimistic overall estimate of the mine's closure costs is eventually confirmed, Prieska's contribution to Anglovaal's 1987/88 earnings in the current financial year is unlikely to exceed 215 cents per share.

• Newcastle Coal Mines (Pty) Limited (formerly Grinaker Desert Spar (Pty) Limited) commissioned its R18-million Klipspruit Colliery near Newcastle at the end of August. Sales will depend on the international coal market, which is still very weak.

• Contributing to the improved results were the efforts of the Group companies' individual management teams in resolving industrial relations issues and the close working relationships that exist between management and employees.

• The Group's liquidity improved further. Anglovaal itself raised more than R200 million by an issue of unsecured variable rate subordinated loan stock and AVI raised almost R104 million by means of a rights issue.

• The results obtained to date from the exploration programme for gold in the Bothaville and Odendaalsrus districts have been promising enough to justify the acquisition of mineral rights in certain selected areas.

Expenditure during the year by the Group and its partners on exploration, research and the development of value added projects amounted to R52 million. The corresponding total expenditure for the current year will be about R62 million.

**Lloyds Merchant Bank**

£100,000,000

Guaranteed Notes due 1989

Unconditionally Guaranteed by  
Brierley Investments Limited

Arranged and underwritten by

Samuel Montagu & Co. Limited

*At 17 September 1987 R1 = £1.31 = US\$1.49*

*The annual general meeting of the Company will be held at 105130 on 6 November 1987 at 75 Fox Street, Johannesburg, South Africa*

To the Holders of

EMHART CORPORATION

6 1/2% Convertible Subordinated Debentures Due 2002

Pursuant to Section 1205(b) of the Indenture dated as of July 15, 1987 between Emhart Corporation and Citibank, N.A., Trustee, NOTICE IS HEREBY GIVEN that, effective September 11, 1987, the conversion price at which the above-described Debentures may be converted into Common Stock of Emhart Corporation has been adjusted to \$24.50 a share from \$63.00 a share.

EMHART CORPORATION

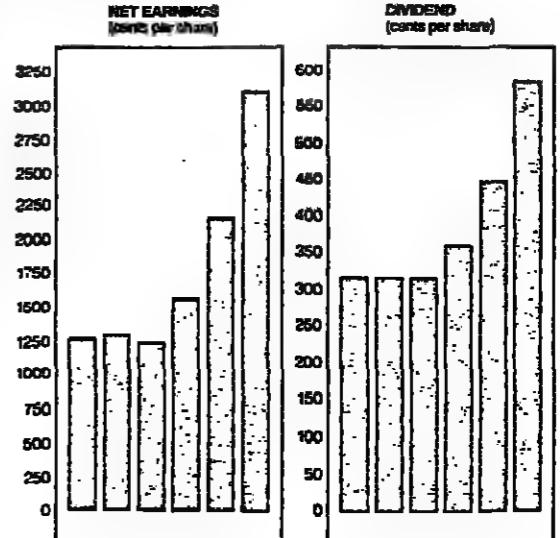
By Citibank, N.A.

as Trustee

October 16, 1987

**NET EARNINGS**  
(cents per share)

**DIVIDEND**  
(cents per share)



This announcement appears as a matter of record only

## REPUBLIQUE FRANÇAISE

FF 1500 000 000

12 YEARS FIXED TO FLOATING  
(TMB\* - 10 b.p.)INTEREST EXCHANGE  
AGREEMENT

ARRANGED BY :

CRÉDIT LYONNAIS  
INVESTMENT BANKING DIVISION CREDIT LYONNAIS

\*Annualized average 13-week treasury bill rate

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

15th October, 1987.



KAO CORPORATION

U.S.\$100,000,000

3½ per cent. Bonds 1992

with

## Warrants

to subscribe for shares of common stock of Kao Corporation

Issue Price 100 per cent.

Nomura International Limited

Algemene Bank Nederland N.V.  
 Banque Paribas Capital Markets Limited  
 Chase Investment Bank  
 Credit Suisse First Boston Limited  
 DKB International Limited  
 Robert Fleming & Co. Limited  
 Generale Bank  
 Kleinwort Benson Limited  
 Morgan Stanley International  
 Orion Royal Bank Limited  
 Société Générale  
 Swiss Bank Corporation International Limited  
 Westdeutsche Landesbank Girozentrale

Bank of Tokyo Capital Markets Group  
 BNP Capital Markets Limited  
 Citicorp Investment Bank Limited  
 Daiwa Europe Limited  
 Dresdner Bank Aktiengesellschaft  
 Fuji International Finance Limited  
 Goldman Sachs International Corp.  
 Merrill Lynch Capital Markets  
 The Nikko Securities Co., (Europe) Ltd.  
 Salomon Brothers International Limited  
 Sumitomo Finance International  
 S.G. Warburg Securities  
 Yamaichi International (Europe) Limited

## INTL. COMPANIES &amp; FINANCE

Seoul is not yet ready for foreign investors, writes Maggie Ford  
Lid kept on Samsung convertible

TO CONVERT or not to convert? South Korean economic officials have been debating for months as the date for the conversion of the country's first bond on the Euromarket came closer and closer.

The bond, issued by Samsung Electronics, should be convertible into shares in the company on the Seoul stock exchange on Monday. This is the day that foreign investors, enchanted by the prints to be copied by investors in South Korean equities, have been awaiting. Unfortunately they may have to wait a bit longer.

The way devised to get around the deadline without actually opening the market to foreigners is simple. First, foreign investors will be allowed to convert their bonds into Samsung shares. They will be able to sell the shares and repatriate the profits. But they will not be able to buy any other shares in the market.

That prospect alone is unattractive. The Samsung bond is currently trading at a premium of 190 per cent, such is the shortage of Korean paper available abroad. Analysts believe that most investors will prefer to trade the bond itself and indeed to hold on to it for longer term investment.

But there is an additional catch. Scrutiny of the prospec-

ture shows that S. G. Warburg, the underwriter, must be able to say that the Seoul Government has at least partially opened the stock market to foreign investment before they can recommend conversion. Under present circumstances a recommendation seems most unlikely.

Officials have cogitated all year to devise a method of hav-

ing it both ways, stay to the market opening, while not offending the international financial community. For although the market has boomed this year, officials believe it remains immature, with too few investors.

The booming economy, which is causing severe problems for those trying to manage the inflow of foreign funds from trade surpluses, has become an even stronger argument against allowing any additional inflows for the moment.

We believe that foreign investors will understand the position," said Mr Lee Sun Hak, finance director of the Samsung group. The money supply problem was already severe, he said, curtailing Samsung's own hopes of raising more money internationally. The Finance Ministry now appears to feel that the end of next year, after the September Olympic games, will provide a more realistic target for an opening to foreigners. Addi-

tional smaller opportunities for foreign investors may arise over the next year.

Following the startling success of the Goldstar Eurobond, issued in August and now trad-

ing at a premium of 250 per cent,

perhaps two more bonds

may be allowed this year. Both Hyundai Engineering and Construction, flagship of the Hyundai group, and Kia Motor, in which Ford has a stake, are continuing to lobby for the opportunity to launch bonds.

In addition, an extra tranche

of perhaps \$30m may be al-

lowed early next year for the Korea Eurofund, which opened

in London early this year. The stock market is expected to continue its rise for the rest of the year, buoyed by the presidential election expected in December and the possible lifting of restrictions on investment imports earlier this year to cool it down.

After the composite index advanced through the 500 mark early this month, blue chip shares have maintained growth, especially following a scare last month over rumours of government involvement in the market.

Opposition leaders said that a Government-associated think tank had been speculating in the stock market, causing a rush to sell and a loss of 15 points in a day.

Although the Seoul market is highly speculative, especially in construction and financial shares, the steady improvement of prices in blue chip shares since then suggests that investors may be taking a longer-term view, reflecting the underlying growth in the economy.

While further booms and busts can probably be expected, especially in advance of the election, analysts believe that this year's rise in the index is likely to prove up to foreign investors' expectations. Time, and the policies of whichever party wins power, will tell whether their wait has been worth it.

## Cable and Wireless near Hong Kong deal

BY DAVID COODWELL IN HONG KONG

CABLE AND WIRELESS, the UK telecommunications group, signalled yesterday that it was close to an agreement with the Hong Kong Government that will open the way to a major reorganisation of its interests in the British territory.

An announcement is expected today detailing the creation of a new holding company, which will comprise Cable and Wireless (Hong Kong) and Hongkong Telephone. The new company will have a market capitalisation of more than HK\$2.2bn, making it by far the biggest in Hong Kong.

Cable and Wireless (HK) has a monopoly franchise to handle all international telecommunications traffic passing through Hong Kong, while Hongkong Telephone has the franchise to

handle local voice telephony. The two operate separately, but are controlled by Cable and Wireless in the UK, and together contribute about three-quarters of the parent company's annual profits.

The reorganisation is likely to involve the phased disposal by the Hong Kong Government of its holdings in the new holding company. The colonial administration acquired this stake in 1961 for just under HK\$800m when Cable and Wireless was privatised by the UK Government.

Hong Kong officials have noted several times in the recent past that it was not appropriate to hold such a substantial equity investment as part of its reserves.

Cable and Wireless is also ex-

pected to announce plans to re-

duce its stake, so that about 25 per cent of shares in the new holding company will be in public hands. The UK group owns an 80 per cent stake in Cable and Wireless (HK), with the Hong Kong Government holding the remaining 20 per cent. Reorganisaton would have been impossible without agreement from the local administration to exchange this holding for shares in the new holding company.

Cable and Wireless also owns about 50 per cent of Hongkong Telephone, with the remainder in public hands. Trading in the shares of Hongkong Telephone was suspended yesterday at HK\$12.30 a share, pending an announcement on the terms under which minority shareholders will have their sharehold-

ings exchanged for shares in the new holding company.

Cable and Wireless revealed on September 31 that it was discussing a reorganisation plan with the Hong Kong Government. The reasons for the reorganisation have yet to be explained in full, but reflect close links in Hong Kong between the two operating companies.

The first phase of reorganisation will involve Cable and Wireless retaining a stake of about 80 per cent in the new holding company, with the Government retaining just over 20 per cent in exchange for its holding in Cable and Wireless (HK). Minority shareholders in Hongkong Telephone will receive shares amounting to just under 10 per cent of the enlarged group.

Sime Darby had said the takeover would have created one of the biggest plantation groups in the world, and there would be "considerable benefits" in terms of advanced technical expertise, and access to integrated processing and marketing

## Sime Darby drops bid for Guthrie Ropel

BY WONG SULONG IN KUALA LUMPUR

SIME DARBY, the Malaysian conglomerate, is dropping its bid for Guthrie Ropel, the listed plantation company, three weeks after it announced the takeover offer.

In a one paragraph statement to the stock exchange, Sime said

it was "unable to reach agreement on the conditions and terms for its general offer." Its offer had valued Ropel, which has 67,000 acres of estates, at about 250m ringgit (US\$1.00m) to be satisfied through an exchange of shares.

The dropping of the bid represents a setback for Sime. The market was not surprised as the deal makes little commercial sense to the Guthrie group, which is itself a leading plantation organisation.

## CertainTeed Canada, Inc.

a wholly-owned subsidiary of

## CertainTeed Corporation

has acquired

## Bay Mills Limited

The undersigned acted as financial advisor to CertainTeed Corporation in this transaction.

## LAZARD FRÈRES &amp; CO.

October 13, 1987

## Farm Credit Corporation

Can.\$100,000,000; 9% Notes due

30th September 1991

(Herein referred to as the "Securities").

To: The holders of the Securities

In accordance with the terms and conditions attaching to the Securities, holders of the Securities are hereby given notice that as from October 30th 1987, The Bank of Nova Scotia, Brussels Branch, 66 Boulevard de l'Impératrice, B-1000, Brussels, Belgium will no longer act as a Paying Agent in respect of the Securities.

As from October 30th 1987

Kredietbank N.V., 7 Aanbergenstraat, B-1000, Brussels, Belgium, will act as Paying Agent in respect of the Securities.

The Bank of Nova Scotia

Issue of up to £250,000,000  
Floating Rate Notes 2000(Incorporated in England under the Building Societies Act 1874)  
of which £150,000,000 is being issued as the Initial Tranche

Issue Price of the Initial Tranche 100 per cent.

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from October 15, 1987 to January 15, 1988, the Notes will carry an Interest Rate of 10 1/4% per annum. The interest payable on the relevant interest payment date, January 15, 1988 against Coupon No. 8 will be £250.22.

By The Chase Manhattan Bank, N.A.

London, Agent Bank

October 16, 1987





## Bowater in £136m US purchase

BY KEVIN BROWN

Bowater Industries, the packaging, merchandising and timber products group, yesterday announced a \$205m (£136m) agreed bid for Rexham Corporation of the US, a specialised producer of cartons, film, labels and flexible packaging.

The bid, which is subject to shareholder and regulatory approval, works out at \$60.25 per share - a premium of 37.7% over an earlier offer from Mr Asher B. Edelman, the US corporate raider, who holds 8.4 per cent of Rexham.

Bowater has agreed to purchase a further 638,955 shares at the offer price in the event of an increased bid from Mr Edelman. The additional shares would represent 15.5 per cent of

the increased equity.

Mr Norman Ireland, Bowater chairman, said the bid had been pitched at the level necessary to secure the agreement of Rexham's management, which will continue to run the company.

"This is a substantial increase in our packaging interests in the US, which we have said we wanted to do for some time. We also see it as a vehicle to take Bowater forward in the US. Its management is good, and it can help us," he said.

Mr Ireland said Rexham would add sales of around \$240m to Bowater's existing US ventures, which would have joint turnover of around \$150m

this year. Rexham's pre-tax profits dipped to \$9m in the first nine months of this year, compared to \$18.6m for the whole of last year, but are expected to recover to around \$22m next year.

Bowater said it regarded Rexham's products as a good fit with its existing US operations, and was impressed by the company's development of niche markets in high quality packaging.

The future of Rexham's aerospace and defence division, which makes precision components and custom-built electronic assemblies, will be considered after final agreement on the takeover has been

reached. Bowater surprised the markets last month with a one-for-five rights issue to raise \$20.3m in preparation for an acquisition, which Mr Ireland said might be in the US.

At the same time, the group announced an agreement to pay \$26m for 49 per cent of Mitek Industries, of St Louis, Missouri, its first venture into the US building materials market.

Bowater was the world's largest manufacturer of newsprint until its North American pulp and paper operations were merged four years ago. The UK paper division was later sold to a management buy-out consortium.

See Lex

## Farnell advances to £11m at midway

BY ALICE RAWSTHORN

Farnell Electronics, a manufacturer and distributor of electrical and electronic equipment, yesterday unveiled an 11 per cent increase in pre-tax profits to £1.1m for the first half of its financial year, on turnover which rose by 27 per cent to £57.6m.

The group's performance reflects healthy growth for its electronic components interests in the UK, but the difficult period for Astronic, the West German distribution company acquired last year.

Operating profits rose to £900,000 (£6.2m) in the six months to July 31, but other income fell to £1.4m (£1.8m). This fall, which should be due to the investment involved in a start-up distribution venture in West Germany and increased working capital for

Farnell's established interests. The group paid £3.9m (£3.7m) in taxation and cleared £136,000 (£45,000) from its minority interest. Earnings per share rose to 5.6p (5.0p) and the board proposes an interim dividend of 1.5p (1.3p).

The electronic components division benefited from an increase in market demand in the UK and from good growth for its new Irish subsidiary. The UK business has started a new warehouse in Leeds, which will improve stock control and customer service.

Astronic in West Germany suffered from difficult market conditions and incurred a small loss in the interim period. Farnell is now investing in the formation of a new catalogue distribution business in West

Germany, modelled on its UK operation, which should be turned around in over the next two or three years.

In the electronic equipment field, Farnell Instruments reported an improved performance in power supply. Yet instrumentation and overseas selling suffered from difficult trading conditions.

The group still holds more than £9m in cash. Mr Raymond said, chairman, said that it was best to expand by acquisition but was still looking for the "right opportunity".

**Comment**  
In many ways it seems unfair that Farnell, which fared rather better than many of its fellow electronics companies in the

troubled years of the mid-1980s, should be lumped with an unenviable image as one of the more sluggish stocks in the sector.

The company is, after all, more than adept at managing its established businesses. Where Farnell has faltered, in the City's eyes at least, is in its failure to use its cash to expand into new areas of activity. That is far behind Astronic, nor the kind of minimum returns which have been exciting enough to quash the criticism. The share price fell on this set of disappointing results and the news that investment income may fall below expectations. Moreover, profit forecasts were trimmed to around £25.5m. This puts the shares on a prospective p/e of 16 - a little too demanding, given the poor perceptions of the company.

## Savage expands further

Savage Group, DIY hardware supplier, is continuing its rapid expansion with the acquisition of Newton Holdings, Birmingham-based supplier of door furniture and associated products for a maximum of £3.5m. It is the fifth purchase this year as part of the group's plan to become a major European hardware supplier.

In the year to the end of March 1987 Newton reported pre-tax profits of £56,000 (£196,000) on turnover of £28.4m (£4.51m). Net assets at the year end were £751,000.

There will be an initial consideration of £2.5m satisfied by the issue of 200,000 shares of 65p each, of which 650,000 are being placed at 65p a share. Further consideration to

a maximum of £3m, satisfied by shares, is being paid on a pro-rata related basis.

Savage said that the acquisition introduced a complementary range and extended the group's customer base.

The company joined the Unlisted Securities Market in May last year as Britain's leading supplier of wall-mounted shelving systems. That made up only a third of output before the Newton purchase.

**COOKSON GROUP** has acquired 91 per cent of Zircolor, a Spanish company engaged in the manufacture of compounds, frixtiles and colours for the ceramics industry. The consideration is non-contingent relative to the net assets of Cookson.

**Abbey If £11.6m placing**  
BY DINA MEDLAND

Abbey, the Irish-registered house, builder and plant-hire group, is raising £11.62m through the placing of 3.52m new shares at 33p, the company announced yesterday. The shares are being placed by the company's stockbrokers in Dublin, J & E Davy.

The placing amounts to almost 10 per cent of the total number of shares in issue, which number over 31m.

Mr Michael McCharles Gallagher, chairman, says the intention behind the placing is to provide funds for the company to acquire fresh assets.

Abbey is "looking in the direction of acquisitions, particularly in the UK." The company is also expanding its land buying

activities. Mr Gallagher said: "Borrowings to finance land purchases were up sharply at £121.3m in the year to April 30, raising gearing from 60 per cent to 84 per cent. This was expected to slip back in the current year."

Pre-tax profits rose 36.7 per cent to £9.9m on turnover only slightly up at £27.6m in the year to April 30.

**LONDON ATLANTIC** Investment Trust: Net asset value at the end of September 1987 was 48.4p against 25.3p a year earlier. Net revenue was £464,000 (£904,000) for earnings per share of 3.91p (3.34p). Interim dividend unchanged at 2.1p.

**comment**  
In many ways it seems unfair that Farnell, which fared rather better than many of its fellow electronics companies in the

troubled years of the mid-1980s, should be lumped with an unenviable image as one of the more sluggish stocks in the sector.

The company is, after all,

## Albert Fisher surges to £18.5m

By CLAY HARRIS

Albert Fisher Group, food and freezer retailer, is looking forward to another successful year after raising profits 20 per cent from £19.7m to £22.3m for the 52 weeks to July 4 last.

Turnover rose 11.6% to £300.45m.

A final dividend of 7.25p (2.25p) is proposed, making 14.75p (4.25p) for the year. Earnings per share rose to 11.72p (2.52p).

Mr John Athorp, chairman, said that the new financial year would see a full contribution from the record number of additional stores opened in the 12 months to June.

This, combined with the benefit from work done to existing stores and improvements in the product range, gave him the confidence to forecast another successful year.

The group intends to accelerate its store opening programme throughout Britain, while embarking upon major refurbishment of many older stores. Plans are well advanced for the current year, with 18 new stores due to be opened before Christmas.

Victor Value, acquired in 1986 from Tesco, has 12 new stores open, and two closed, bringing the total to 49 with several more openings in prospect.

from disposal of Olaf holding).

### • comment

Next week Bejam will launch a series of television advertisements with the slogan "We're hot". But the communications coming out of the company yesterday failed to fire City imaginations and the shares fell 4p to 244p. Part of the problem is Victor Value, the grocery chain bought last year from Tesco. The market has always had doubts about the wisdom of diversifying out of freezer centres and yesterday's news that Victor did little more than wash its face in its first full year of contributions did nothing to allay suspicions. Is the frozen supermarket doing all the right things? Its accelerating stores opening programme, its introduction of more innovative, higher margin products and its growing use of scratch-free, mist-free glass for freezer tops should all help to build on the progress of last year when sales volume in existing stores rose 2.5 per cent. With profits of £27.1m in line for this year the City's view is that Bejam's extraordinary cred-

its chairman.

Sales in the mainstream business of freezer centres rose 12 per cent to £406.8m (£389.04m) with food accounting for £371.31m (£380.23m) and freezers and microwave cookers £39.52m (£28.76m). Income brought in £21.2m (£20.04m) and Victor Value sales were £29.14m (£24.37m over 20 weeks). Tax took £8.8m (£7.85m) and there were extraordinary credits of £250,000 (£1.5m mainly

## Britannia Security trebled

BY ALICE RAWSTHORN

Britannia Security Group, fast-growing security and data storage concern, yesterday sailed past the City's expectations by announcing that pre-tax profits had trebled to £5.4m in its final financial year.

Turnover more than doubled to £24.9m (£11.9m) in the year to June 30. Although much of the growth in both sales and profits came from recent acquisitions, the business itself at the start of the year reported pre-tax profits growth of an estimated 24 per cent.

Taxation rose to 51p (£155,000) and the tax rate should rise further this year.

Minority interests contributed £19.000 while the cost of moving from the US to the main market was expressed as an extraordinary item of £12.400,000.

Earnings per share increased to 13.6p (6p). The board pro-

poses a final dividend of 1.08p (0.9p) making 1.5p (1.5p) for the year.

### • comment

When a business expands as fast and as furiously as Britannia, three questions need to be answered. First, can it sustain organic growth for the businesses it has bought so hastily? Second, is there a strategy behind the whirl of acquisitions? And third, has the show-off of paper depressed the share price? Luckily for Britannia, it sails through all three with flying colours. Organic growth of 24 per cent should be sufficient to allow any qualms about the management's ability. Similarly the logic of assembling a "one stop security" business - which already bears the benefits of synergistic growth - is clear to see. Finally, the share price has succeeded in outperforming the market in a year in which the number of shares in issue has been doubled. Having been so pleasantly surprised by these results, analysts have increased their forecasts for this year to £13m.

## Ramus makes 56% advance to over £1m

BY CLAY HARRIS

Ramus Holdings, USM-quoted distributor of ceramic tile, kitchen furniture, sanitaryware and vinyl floorcoverings, reported a 56 per cent increase in pre-tax profits from £270,000 to £1.12m for the 51 weeks to June 30. Turnover rose 16 per cent from £20.7m to £23.8m.

Mr Ernest Ramus, chairman, said that the group had achieved success as a result of major investment over the years, which was continuing, and a strengthening of the management team.

A final dividend of 1.25p (0.25p) is being recommended, making a total of 6.5p (1.5p). Earnings per share increased from 13p to 18.3p.

The chairman added that Ramus had strengthened its position as the major distributor of tiles and would reinforce this during 1988 with the launch of a new Colourmatch theme, to be backed by consumer advertising and the introduction to the UK of Italian porcelain floor tile.

Sanitaryware grew less than expected but sales of branded self-assembly kitchen furniture increased. An own-brand kitchen range will be launched in time of suspension.

**New Cavendish shares suspended**

New Cavendish Estates, property investor and developer, requested a suspension of trading in its shares yesterday, pending an announcement. Its share price was at 23.5p, up 7.5p (7.5p) on the day of issue.

Sanitaryware grew less than expected but sales of branded self-assembly kitchen furniture increased. An own-brand kitchen range will be launched in time of suspension.

The company more than doubled its pre-tax profits to £142,771 (£58,462) on turnover of £241,486 (£208,476) in the six months to end-December 1986.

Directors attributed this to a doubling of the capital base in September 1986, and added that the injection of capital should have a positive impact on the second half.

They were confident that progress would continue, and the outlook for the year ending June 30 was promising, they said.

## Delyns profit rise

Delyns Packaging has pushed up pre-tax profits from £42,000 to £155,000 in the half year to August 2. Turnover in the period rose from £22.6m to £25.7m and the operating profit was £117,000 up at £22.000.

Interest charges amounted to £43,000 (£23,000) and there was no tax (same) leaving earnings of 10.5p (6.5p) per 5p ordinary. The interim dividend is revised from 6.25p to 8.75p.

Mr Paul Norris, chairman, said the reduction in the paper converting activities had produced a better balanced trading result than shown in previous years, which was a trend that was expected to continue.

He warned however, that the high percentage rise in profits at this interim stage should not be expected to be repeated in the full year.

**EDENDERRY SHOES:** Shareholders subscribed for 8.75m shares (97.6 per cent) in the re-

## Gold Fields

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the Company will be held at the Hotel Inter-Continental, Grand Ballroom - Entrance, One Hamilton Place, London W1, on Wednesday, 4 November 1987 at 11.05 am (or as soon thereafter as the Annual General Meeting of the Company, convened for 11.00 am that day, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as an ORDINARY RESOLUTION:

### RESOLUTION

THAT pursuant to Article 46 of the Company's Articles of Association this Meeting consents to an increase in the limit under such Article on the aggregate amount for the draw-back refund of all monies borrowed by the Company (as defined in such Article) to an amount equal to two and one-half times the assets of the nominal amount of the issued and paid-up share capital of the Company and of the amounts standing to the credit of the consolidated capital and revenue reserves (as specified in such Article).

By order of the Board  
Mrs G.M.A. Gladhill  
Secretary

16 October 1987  
Notes  
Only members holding fully paid Ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the Meeting. A proxy cannot be appointed to a proxy, who is not a member of the Company, to attend and vote at the Meeting except with the prior written consent of the holder of the proxy. No person may speak at the Meeting except with the permission of the Chairman of the Meeting.

Holders of share warrants to bearer who wish to be present or represented at the Meeting may obtain the necessary information regarding the formalities to be complied with from the registered office of the Company.

Consolidated Gold Fields PLC  
31 Charles II Street, St James's Square, London SW1Y 4AG.

## Rothschild & Cie Banque

has become a partnership which will operate

under the name of

Rothschild & Cie Banque

17, avenue Matignon,  
75008 Paris

# Leadership in M&A United Kingdom

**Smiths Industries plc**

*has acquired*

**Lear Siegler  
Avionics Systems**

*from*

**Lear Siegler  
Holdings Corp.**

*The undersigned advised Smiths Industries plc  
in relation to the acquisition in the U.S.A.*

**WPP Group plc**

*has acquired*

**JWT Group, Inc.**

*The undersigned acted as financial advisors to  
WPP Group plc and as a lead underwriter of  
a placing of £213 million of new WPP equity.*

**Beecham Group p.l.c.**

*has sold*

**DAP Inc.**

*to*

**USG Corporation**

*The undersigned acted as financial advisors to  
Beecham Group p.l.c.*

**Dairy Farm International  
Holdings Limited**

*has acquired a 25% interest in*

**Kwik Save  
Group P.L.C.**

*The undersigned acted as financial advisors to  
Dairy Farm International Holdings Limited.*

**The First Boston Corporation  
Credit Suisse First Boston Limited**

## UK COMPANY NEWS

**ABF says Berisford lacks logic**

BY CLAY HARRIS

**Associated British Foods** yesterday levelled a strong attack on the financial structure, management and profit record of **S&W Berisford**, sugar producer and commodity trader, for which it has launched a cash bid worth £76m.

The offer document published yesterday by the bread, biscuits and tea group breached no new arguments to those rehearsed when the bid was launched a fortnight ago. ABF made clear, however, that Berisford's activities - apart from British Sugar, the UK's leading refiner - faced a detailed review which could lead to disposals.

ABF said: "There can be no claim to industrial or financial logic in this collection of activities." Mr Weston said it was

Berisford, it argued, was failing to invest sufficiently in - and was even extracting funds from - British Sugar. "Cash flow, disposal proceeds and additional borrowings have been diverted into a complex chain of property trading ventures, share and bond dealing and other activities."

Mr Garry Weston, ABF chairman, added separately about the bid: "It's all about long-term versus short-term investment policy, technology rather than opportunistic trading skills."

ABF intends to contrast its manufacturing expertise with Berisford's management's background of short-term speculative trading. Treating board changes at Berisford with scepticism, Mr Weston said it was

still "very much a company in image Mr (Ephraim) Margulies' image and his creation."

ABF also attacked Berisford's erratic earnings record and said it was "one of the most highly geared companies operating a major food business."

Mr Harry Bailey, finance director, said: "They are very resourceful for borrowing money both on balance sheet and our balance sheet, but you can't go on borrowing forever."

He added: "British Sugar is going to need a lot of capital investment. There is a great deal of efficient sugar industry on the continent in Germany, France and Holland and there's a great deal of surplus capacity which would be ready and able to come into this market if

there's not an improved level of efficiency."

Mr Henry Lewis, deputy chairman, defended Berisford yesterday as a "sensibly balanced group" and said ABF's criticisms betrayed a lack of understanding. "One of the skills of Berisford has been in the use of money," he said, contrasting its performance with the film cash pile at ABF.

British Sugar, he said, was investing record amounts in its UK production - £28m in the last financial year and £68m in the current one.

Berisford shares added 4p to 42p yesterday, compared with ABF's 40p cash offer. ABF already owns 22.7 per cent of Berisford, which it bought from the Italian Ferruzzi group, a previous bidder, in May.

**Cityvision's £4.4m rights**

**Cityvision**, a USM-listed company involved in video film hire through retail outlets, more than doubled pre-tax profits from £119,000 to £241,000 on turnover up from £1.21m to £1.88m for the six months to May 31, 1987.

At the same time the company announced the acquisition of the remaining 50 per cent of Videoserve, which will be funded by a £4.3m rights issue.

Mr David Quayle, chairman,

said that the acquisition represented a significant step in the company's strategy of becoming the major force in the video film hire market.

Cityvision will now be supplying over 100 non-specialist retail outlets owned by financial chains and will itself own the largest national chain.

The directors looked forward with confidence to a successful outcome to the current year and continuing further growth.

**Smaller Companies** earnings fall

Gross income of the Smaller Companies International Trust rose from £107,000 to £104m in the six months to September 30. But with interest charges up from just £1,000 to £425,000, due mainly to the £1m loan drawn in April 1987, and administration expenses up from £117,000 to £189,000, pre-tax profits were £41,000 down at £428,000.

Tax amounted to £120,000 (£141,000) leaving earnings per 25p share down from 0.8p to 0.7p.

The directors said the incidence of investment income and the effect of the investment of the loan would generate significantly lower earnings per share in the second half of the year.

The acquisition, for a total consideration of £2m, will be funded by a one-for-six-rights issue at 80p per share which will also allow Cityvision to take advantage of further acquisitions.

An extraordinary general meeting will be held on November 8 to approve the acquisition and rights offer.

Cityvision and CBS/Fox Video each own 50 per cent of Videoserve. The purchase cost £1.2m. The shares will be 21p for the first 40 per cent, and £400,000 for the remainder in November 1988. In addition Cityvision will acquire the loan made by CBS/Fox to Videoserve of £1m at par in four instalments.

After group and related company taxes totalling £24,000 (nil) earnings per share worked out at 0.57p (0.39p). Group profit came to £80,000 (less £3,000). Related company profit was £161,000 (£122,000).

**Stanhope Prop. jumps to 312p on first day**

**Stanhope Properties** yesterday came within a whisker of overtaking Mrs Fields as the largest company on the Unlisted Securities Market after its shares enjoyed a spectacular debut in first day dealings.

Its shares closed at 312p, a substantial premium to the 250p striking price of the tender offer, and nearly three times the company's net asset value as stated in its prospectus.

At the same time the property company with interests in the Broadcast office complex in the City has a market capitalisation of £34m - only fractionally behind that of Mrs Fields.

Shares in ISA International, the office consumables company, also went to healthy premiums yesterday in first day dealings. Its shares closed at 148p, 6p above the 80p placing price,

**Boddington suitor withdraws bid plans**

BY MIKE SMITH

**Midsomer Leisure**, the public house, discos and snooker group, yesterday withdrew plans to bid for Boddington Group in the face of opposition from two of the brewer's largest shareholders.

It said it regretted that Boddington had not been prepared to discuss its proposals for an integrated group and added that withdrawing the proposal was in the best interests of Midsomer shareholders.

Midsomer is to keep its 2.5 per cent stake in Boddington and said it could not rule out the possibility of a bid in the future.

Shares in Boddington finished the day at 215p, 25p down on their opening price but well up on the 157p of Monday before the plan for a bid was revealed.

Boddington rejected Mid-

summer's approach on Wednesday, saying it had the support of Whitbread Investment Trust and Britannia Assurance, who with the board controlled 34 per cent of the brewer.

The trading profit was £182,000 (190,000) and other income amounted to £115,000.

Net assets were £104,000 (97,000) and there were no exceptional items this time (£27,000).

**Sedgwick transfers control of offshoot to TIC in £15m deal**

By Clay Harris

**Sedgwick Group**, Britain's largest multination insurance broking group has transferred the overall control of its former wholly-owned subsidiary River Thames Insurance Company in a deal with Transamerica Insurance Company.

TIC, the principal property/casualty insurance subsidiary of Transamerica Corporation, is subscribing £14.75m for new shares in River Thames Insurance that will give it a 51 per cent interest in the enlarged company.

The principal activity of River

Thames Insurance is the transaction of all classes of insurance and reinsurance business other than life and motor. It retained premium income in 1986 was £21.7m. The increase in the capital base of River Thames Insurance, which will bring its net assets to £25m, will enable the company to maintain and develop its business with the London market.

The subscription by TIC enables this capital expansion to be made without increasing Sedgwick's financial commitment to insurance underwriting.

**HTV restructures to ease purchases**

By Clay Harris

**HTV Group** is to change its capital structure to pave the way for future acquisitions. The TV contractor for Wales and the west of England yesterday unveiled plans to create one class of share by enfranchising 20.5m non-voting shares and granting current holders of the 233,200 voting shares an 11-for-six scrip issue.

HTV's non-voting shares were unchanged yesterday at 374p.

The change was necessary in order to gain any future issue of HTV shares underwritten said Mr Tim Knowles, group managing director. Having extracted itself from daily publishing, HTV has made clear its intention to take advantage of new opportunities available to broadcasters.

If approved by both classes of shareholders, the change would give HTV its first glimpse of any concentration of holdings in its shares. So long as shares are non-voting, there are no disclosure requirements. Shareholders of 10 per cent or more are subject to approval by the Independent Broadcasting Authority.

The change would leave Granada Television franchise holder for the north of Scotland, as the only HTV contractor retaining a split-level voting structure.

**Benlux**

Benlux wished to make clear that it has not ruled out the possibility of launching a cash offer for Stophouse - but does not feel that it is appropriate to introduce a cash offer "at the present time." This corrects the impression given by a headline in yesterday's Financial Times.

**DIVIDENDS ANNOUNCED**

	Current payment	Corres- pending	Total	Total
		div	for	last
Rejans	£1.5	-	2.25	4.75
William (J)	Int 1.6	-	1.50	1.5
Britannia Sec.	Int 1.05	0.9	0.9	1.5
Caparo Indust.	Int 0.75	Nov 30	0.75	1.05
Delys Packaging	Int 0.38	-	0.38	0.58
Farnell	Int 1.5	Dec 4	1.5	2.5
Fiducia Petrol	Int 1.5	Jan 10	0.00	2.50
Jones, Edin.	Int 2.5	Dec 15	2.5	5
Kingsley & Faz.	Int 1.7	Dec 2	1.7	2.7
Lat Atlantic Fin.	Int 2.1	-	2.1	2.25
Masterfile	Int 1	Nov 30	1	3
Nu-Swift	Int 2	-	1.75	7
Ramex	Int 0.5	Dec 2	0.5	0.5
Scott Mortgage	Int 0.5	Dec 1	0.5	0.5
Synapse	Int 3.2	-	3.2	3.2

Dividends shown in pence per share not except where otherwise stated. Equivalent after allowing for scrip issue. 10m capital increased by rights and/or acquisition issues. UKM stock 10m quoted stock 2/3rd market.

US\$100,000,000

**MARINE MIDLAND BANKS, INC****FLOATING RATE SUBORDINATED CAPITAL NOTES due 1999**

For the three months 16th Oct 1987 to 18th Jan 1988 the Note will carry an Interest Rate of 9 1/4 per cent per annum with a Coupon amount of US\$240.80 per US\$10,000. Interest payment date 19th Jan 1988.

JAMES CAPEL BANKERS LIMITED  
INTEREST DETERMINATION AGENT

<b>Nationwide Anglia</b>	<b>£250,000,000</b>
Floating Rate Notes Due 1996 (Issued by Nationwide Building Society)	
Interest Rate: 10.35%	
Interest Period: 15 October, 1987 to 15 January, 1988	
Interest Amount per £45,000 Note due 15 January, 1988: £130.08	
Interest Amount per £250,000 Note due 15 January, 1988: £13,008.82	
Agent Bank: Baring Brothers & Co., Limited	

**When WestLB floats a bond, he knows about it.**

International capital markets are on the move: new techniques, new services, new products.

For customers this means new opportunities. For banks this means transforming financial needs into assets which meet investors' interests.

WestLB puts the right issue into the right hands.

So, what about banking on the placing power of one of Germany's largest financial institutions?

In fact we have partners we can call on day or night.

**WestLB**  
The Westdeutsche Landesbank.

Düsseldorf, Herzogstraße 15, 4000 Düsseldorf 1,  
Telephone (0211) 8260, Telex 656260

London, 41 Moorgate, London EC2R 6AE,  
Telephone (01) 538 8141, Telex 887 984/5

International Capital Markets

WestLB AG, Düsseldorf

WestLB AG, Frankfurt

WestLB AG, London

WestLB AG, Paris

WestLB AG, Zurich

WestLB AG, Vienna

WestLB AG, Wiesbaden

WestLB AG, Wien

WestLB AG, Zürich

WestLB AG, Wien

## UK COMPANY NEWS

**Phicom makes £34m buy and calls for £5.1m**

BY ALICE RAWSTHORN

Phicom, life sciences group, plans to double in size with the acquisition of Forma Scientific, which manufactures micro-biological equipment for \$56m (£33.9m) to be paid in shares.

The group also intends to raise £5.1m cash through an offer for shareholders. The proceeds will be used to develop both Phicom's existing life science activities and the new acquisition. Robert Fleming, the merchant bank handling the issue, has conditionally placed all £30m of the shares in the open offer.

Forma Scientific, which is based in Ohio, manufactures micro-biological laboratories for use in scientific laboratories in education, medicine and industry. Phicom is buying it from International Minerals & Chemicals, the US concern.

Once the acquisition is completed Forma will be run by its established management team. Mr Christopher Bland, chairman, said that it was in the throes of a product development programme and that it would be expanded through niche acquisitions in the US.

Last year Forma made pre-tax profits of \$4.2m on turnover of \$34.5m. Phicom said that it should make a substantial contribution to the group's growth in earnings per share.

Phicom will issue 44.1m shares to finance the acquisition and 6.6m new shares to raise £5.1m. The shares will be offered at 77p a share, a 24% premium to the 77p a share for 24 basis at 77p a share. The company's share price has been suspended at 85p. Dealings

**British Island Airways up 33%**

BY LUCY KELLAWAY

British Island Airways raised pre-tax profits by 23 per cent from £514,000 to £655,000 on turnover up from £12.44m to £15.55m for the six months to June 30 1987.

Originally a plantation holding company, Phicom, withdrew from data communications and electronic engineering last year in order to concentrate on its life sciences interests. Earlier this year the company was restructured when Robert Fleming acquired a controlling interest and a new management team was installed.

The new management team - led by Mr Bland, who is also chairman of London Weekend Television - has adopted a strategy of using Phicom as a base from which to build a business in the life sciences field.

Mr Bland said yesterday that Forma Scientific would act as the second leg of the group alongside Shandon, its established business.

The directors said they looked forward to another good result for the full year.

**TDS reduces interim loss to £205,000**

TDS Circuits, USM-quoted printed circuit board manufacturer, reported lower interim pre-tax losses and expected the second half to be similar to the previous year when a small profit was made.

The Blackburn-based company increased turnover for the six months to the end of August 1987 by 20 per cent to £4.25m (£3.55m). Pre-tax losses fell from £546,000 to £205,000 although there was a lower insurance credit, resulting from a fire in 1986, of £780,000.

The directors said that the rest of the year should produce a result similar to that of last year, when there was a profit of £73,000, despite there being a significantly lower insurance credit.

Operating leases were cut from £1.31m to £1.06m. There was a tax credit for the period of £63,000 (£19,000) for losses per 5p share of 1.26p (5.6p).

The situation would be reversed in the second six months.

Prospects for the A and SME subsidiary were promising with projected turnover for the second half and for 1988 in excess of the levels achieved in 1987.

Group turnover for the first half was little changed at £2.64m (£2.17m). There was a tax credit of £10,500 (charge £50,000).

Loss per share emerged at 2.35p (earnings 3.39p). The interim dividend rises from 1.52p to 1.6p.

**Hunting Petroleum steady at £3m after oilfield services loss**

BY LUCY KELLAWAY

Hunting Petroleum Services yesterday announced an unchanged interim profit of £3m, but warned that as a result of losses in oilfield services the full year for the year could be less than the £7.1m made in 1986.

However, the company expressed optimism for 1988 based on the performance of its other businesses, all of which contributed higher profits in the first half, and its decision to close down part of its oil services division.

The company said the market for oil services had remained more depressed than anticipated, resulting in a loss of £1m in the first half, compared to a profit of £2.76m last year.

Even though conditions were now getting better as a result of the recovery in oil exploration activity, the company said the upturn was not likely to provide enough work for its four offshore bases. Consequently, it said it had decided to close its plants in Norway and Great Yarmouth, and concentrate its

oil service resources at Aberdeen and at Velsen-Noord in Holland.

The company said that the closures would reduce its exposure to future losses, while allowing it to benefit from any pick up in activity in the industry. There would be little impact on trading profits this year from the closure of the costs which would be treated as an extraordinary item and charged against the profit made on the sale of the UK fuel distribution company.

Turnover for the six months rose by 10 per cent to £11.19m (£10.1m). The profit breakdown was as follows: crude oil, transport and terminalling £2m (£1.7m); oil process equipment, products distribution, oil brokering and storage, £2.23m (£1.39m); lubricants and specialised products £1.8m (£1m).

After a tax charge of £1.4m (£1.6m), the net profit was £912,000 (£1.1m). The interim dividend is held at 3.5p a share.

**The Premier Group**

PREMIER GROUP HOLDINGS LIMITED  
("THE PREMIER GROUP")  
(Co. Reg. No. 01/04313/06)  
Incorporated in the Republic of South Africa

**PROPOSED LISTING OF PREMIER'S FOOD INTERESTS**

Shareholders are advised that the Directors of The Premier Group are considering the listing of the Group's food interests. Shareholders in The Premier Group will participate in such a listing, details of which will be announced in due course.

Shareholders are accordingly advised to exercise caution in share dealings.

A. H. Bloom  
Chairman  
Johannesburg South Africa  
13 October, 1987

**Bunzl expands further in US**

BY DINI MEDLAND

Bunzl, the acquisitive paper, packaging and distribution group, is further expanding its US interests with the purchase of Alliance Plastics, the second largest manufacturer of plastic caps and plugs for the US automotive and general engineering industries, for \$9.35m (£5.6m) in cash.

Alliance expects pre-tax profits of \$1.35m for the year ending December 31.

The purchase is designed to consolidate Bunzl's leading position in low-pressure injection moulding technology, through Moss Plastic Parts (formerly Robert Moss) and its US subsidiary Moldzaver; the company said.

In April, Bunzl bought small Miami-based high pressure in-

jection moulding specialists Mainline Plastics for \$3.5m. The company reported pre-tax profits of \$600,000 on sales just under \$4m in the year ended January 31.

Since the acquisition of Robert Moss in May last year, Bunzl has steadily broadened the range of plastic products manufactured in the US through a programme of acquisition and expansion.

Moss's low-pressure injection moulding technology is now being introduced into Bunzl's US plastics operation to improve efficiency in its processing operations, Bunzl said.

Mr James White, managing director, said: "Adding Alliance Plastics to our US operations

**Kingsley & Forester rises**

Kingsley & Forester Group, textile and toys group, reported a 20 per cent increase in pre-tax profits from £289,000 to £31.1m in the first six months of 1987. Sales rose 15 per cent to £21.2m against £27.5m.

An unchanged interim of 1p is being paid from increased earnings of 2.66p (2.65p).

Mr Arnold Forester, the chairman, said significant stock reduction had been achieved

during the half year and that programme was continuing.

The group's two recent acquisitions, Townsend Cycles in June and Comfy Quilts and Textiles in August, were being successfully integrated. The formation of Cannon of America (UK) would come into full operation in 1988, the chairman said.

Comfy Quilt's results have been included on a merger accounting basis.

The total £289,000 (£286,000)

**Synapse improves to £1m**

INCREASED pre-tax profits up from £722,000 to £1.1m were yesterday reported by USM company, Synapse Computer Services for the year to July 31 1987.

Mr W.C. Williams, the chairman, said the company's first half performance had been consolidated in the second half to produce satisfactory end-of-year results.

The company's New York operation had now completed its first full year and had performed below expectations. That performance had, however,

been overshadowed by the success of the parent company.

The company remains confident that the subsidiary will ultimately prove to be an important contributor to group profitability.

Group turnover for the year rose from £3.89m to £5.92m.

The pre-tax figure was struck after net interest payable of £5.200 (£20,500). There was a tax charge of £248,900 compared with £102,000.

The dividend is being raised from 2.2p to 2.3p from earnings of 18.79p (11.95p).

**Musterlin incurs loss in first half**

Musterlin Group, USM-quoted book publisher, incurred a pre-tax loss of £268,000 in the first half of 1987, as against a £36,000 profit last time.

Mr George Riches, chairman, pointed out however, that the year had displayed the normal imbalance of trading between the first and second halves of the book marketing year in the sectors in which the company were engaged.

The greater proportion of trading and earnings would as planned, fall into the second half with two-thirds of the publishing programme coming through during that period, together with the effect of the group's acquisition programme.

The chairman said prospects for the year were encouraging in all sectors, though much remained to be achieved in the second six months.

First-half turnover fell from £3.16m to £2.65m. Tax charge £25,000 (£25,000) and loss per 20p share came to 4.33p. The interim dividend is maintained at 1p.

**A HOT YEAR FOR BEJAM**

**HIGHLIGHTS**

1987	1986	Change
RETAIL TURNOVER	£96.776	£95.623
PROFIT BEFORE TAX	£3.399	£1.710

EARNINGS PER SHARE 11.72p

DIVIDENDS PER SHARE 4.75p

Profit per square foot of larger centres up. It amongst the best in food retailing.

Over 100 new Bejam frozen food products introduced this year.

A record 32 new Bejam stores were opened during the year, including a group of 13 stores in Scotland.

Range of goods offered is now wider than ever, with over 90% of stores offering chilled fresh foods.

The Bejam has been restricted to minimise the Group's rapid growth.

**Bejam**  
*We're hot*

Our 1987 Annual Report will be published shortly. For a copy please contact the Company Secretary at Bejam Group PLC, 1 Garland Road, Hounslow, Middlesex TW7 1LR.

**Suitably Retiring.**

Foreign & Colonial have been quietly managing people's money since 1868.

And managing very nicely too if total funds of over £2000 million are anything to go by.

But have we been a little too discreet about our discretionary pension fund management?

Six years ago we entered the market. And, as the graph shows, we've been in the top 25% of funds in performance terms ever since.

Not, of course, that these figures came from our lips. They're all from The W M Company.

We'd put our success down to long experience in asset allocation, excellent stock selection, and an extremely high degree of service. All of which we'll happily discuss with you.

Our figures still speak for themselves. But perhaps it's time we had a word too?

Foreign & Colonial

**Pensions**

1 Laurence Pountney Hill, London EC4R 0BA. Telephone Heather Roberts on 01-623 4680.



W M Company  
London EC4R 0BA  
Telephone 01-623 4680



## EUROPEAN ENERGY

William Dawkins reports on the climax to five years' work on thermo-nuclear fusion

## Big four plot out their sci-fi aims



Mikhail Gorbachev: approach to the French

IT SOUNDS like science fiction: a thermo-nuclear fusion reactor providing a near limitless source of pollution-free energy. Jointly run and designed by the US, the Soviet Union, the EC and Japan.

Yet that is just what top scientific officials from the four major powers will discuss when they meet at the International Atomic Energy Agency (IAEA) in Vienna next Sunday and Monday. They all want slightly different things from what looks set to be a controversial climax to five years of sensitive groundwork.

But they have one ambitious aim in common: to pool their huge research efforts to produce within three years a so-called "conceptual design" for an International Thermonuclear Experimental Reactor (Iter). Between them, the four powers employ more than 5,000 scientists in nuclear fusion and spend well over £3bn a year on an energy source that is unlikely to be commercially possible before the end of the century.

The meeting is seen in Brussels as the latest and perhaps most important sign of Soviet openness towards the European Community. The two sides do not have formal diplomatic relations. So the fact that Moscow is now talking directly to officials in Brussels about co-operation in fusion does imply some sort of recognition - and this is just a week after a Soviet delegation told the European Parliament that they were interested in participating in the current research co-operation scheme involving 10 European countries.

The talks are really remarkable sign of changing attitudes from at least some quarters in Washington. Two years ago, the US would never have considered discussing such matters with the Kremlin. European Commission officials point out: "The political will that these talks should bring positive results comes right from the very top," claims Mr Charles Maisonnier, director of the EC's fusion programme. That said, the negotiators have to come to terms with several sensitive problems.

The Vienna meeting is partly a result of a call by EC leaders at their Versailles summit in 1985 for the widest possible co-operation in fusion. This was followed three years later by a bilateral approach to the French Government by Mr Mikhail Gorbachev, the Soviet leader, quietly reflected by a note from Paris that Moscow should address its overtures to the European Commission. The ball was finally set-

rolling by the 1985 Geneva arms talks in which both sides agreed to co-operate on

the most obvious hurdle is how any peaceful joint fusion effort can work within the rules of CoCom, the committee which regulates technical exports to the Soviet bloc from 15 countries including the US, all EC member states and Japan.

Formally, Washington thinks this can be done, so long as the co-operation is confined to design work. Almost by definition, the Iter project can only have peaceful aims because it is to do with controlled fusion, as opposed to the uncontrolled reactions used in H-bombs. Yet the Defense Department is still said to be worried - and the question cannot be dodged indefinitely.

Linked to that are the three non-Soviet partners' worries that they could end up paying for a project they did not intend. In one sense, Moscow has an historical right to share their fusion skills. Its scientists

built in the mid 1960s the world's first tokamak, a machine for producing the powerful magnetic field needed to contain the super-heated gas or plasma central to the fusion process.

The design of that tokamak, inspected closely by UK scientists, made a major contribution to the EC's own fusion research effort, possibly the world's most advanced. Yet the Soviet Union is acknowledged to be behind in the basic technology needed to put its theoretical skills into practice. Its tokamaks, at the Kurchatov Institute and the Soviet Academy of Science in Moscow are relatively small and basic by Western standards.

That may be why Moscow argued in a preparatory meeting last March that Iter should be made the first step towards actually building a joint reactor, while the EC and the US are markedly more reserved about the outcome.

Another issue fraught with difficulty is how the partners are to insure themselves against the political risk of working with each other. The danger is that foreign policy rows - another Afghanistan or even a Japanese or US trade war - could bring the whole project to a halt, leaving all involved with a mound of incomplete and expensive research work. Here the EC could have more than anyone else to lose because it is ahead of the field in its own fusion research. By the same token, if Iter fails, it can lead the pack.

Brussels is keenest for the others to see Iter closer aligned with its own fusion work, mainly at Culham in the UK, Cadarache in France and Garching in West Germany, so as to avoid duplicating research costs. At a push, the technical differences between the four can be mastered. "We are all more or less on the same path, even if we envisage variations later down the line," explains Mr Maisonnier.

Politically, however, the problem of who sets the keynote for the project is harder to tackle. The work does not need a great deal of equipment, but there does have to be a base.

The EC has proposed its laboratory at Garching near Munich, conveniently the base for the design work on its own European Torus, a large tokamak intended to confirm the scientific feasibility of fusion during the early 1990s and pave the way for a commercially viable reactor.

But the US has put in its own bid, motivated by a similar wish to influence the project in line with its own - albeit less committed - work. Washington has offered space at its fusion laboratories at Livermore, California.

One solution being mulled over by the IAEA is to use the agency's headquarters, which have the advantage of being on neutral ground but the drawback of being outside the helpful scientific environment of a national laboratory.

Moscow has no apparent preferences for a site. But it is a testament to the Soviet Union's wish for a more lasting co-operation than the others would like that has argued for a large permanent secretariat for the project, rather than the temporary arrangement involving maybe 10 scientists from each side that the others are prepared to accept.

The big four have set themselves a 1990 deadline for their fusion report - so they will have to reach an accord fast if the project is to work.

## CHANNEL ISLANDS

The Financial Times proposes to publish a Survey on the above on

Monday 14th December, 1987

Topics proposed for discussion include:

The Economy	Communications
Finance Industry	Offshore Insurance
Investor Protection	Data Protection
Media	Property
The Printing Industry	Politics
Energy	Tourism
Smaller Islands	Horticulture
Immigration	Archaeology
Boating	Traffic

For a full editorial synopsis and details of available advertisement positions, please contact:

BRIAN HERON  
on 061-834 9381  
or write to him at

Alexandra Buildings, Queen Street,  
Manchester M2 5LF  
Telex: 666813

FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER

LONDON - FRANKFURT - NEW YORK

Joint announcement

## RAND MINES LIMITED

(incorporated in the Republic of South Africa)  
Registration No. 01/0089/08



## Anglo American Corporation of South Africa Limited

(incorporated in the Republic of South Africa)  
Registration No. 01/0089/08



## Barlow Rand Limited

(incorporated in the Republic of South Africa)  
Registration No. 02/0085/08

In a joint announcement on 3 August 1987, Rand Mines Limited ("Rand Mines") and Anglo American Corporation of South Africa Limited ("Anglo American") stated that Barlow Mining and Exploration Company (Proprietary) Limited would establish a gold mine near Barberton in the eastern Transvaal. Pre-production capital expenditure required to bring the mine into production was estimated at R55 million in 1987 money terms. Since then, the mining company has been converted into a public company under the name Barbrook Mines Limited ("Barbrook").

Rights offer by Barbrook:

To assist in the financing of the initial expenditure, Barbrook proposes to raise R30 683 000 by way of a rights offer of the renounceable right to subscribe for 30 683 000 shares of 1 cent each at 100 cents per share to its existing shareholders, namely Rand Mines and Anglo American and its associates. In order to obtain a spread of shareholders to the extent required to secure a listing on The Johannesburg Stock Exchange ("the JSE") for the shares issued share capital of Barbrook, which will amount to some 86 683 COD shares after the rights offer, Rand Mines and Anglo American will contribute the major portion of their subscription rights subject to the limitations referred to below.

By virtue of its controlling interest in Rand Mines, Barlow Rand Limited ("Barlow Rand") will be entitled to a percentage of the rights to be held by Barbrook. In turn, Barlow Rand will renounce the major proportion of those rights in favour of its shareholders and option holders, subject to the limitations referred to below.

The renunciations by Anglo American and Barlow Rand will be done on the basis that only those shareholders who qualify for a minimum of 100 shares in Barbrook will receive letters of allocation for their entitlements. The rights to which shareholders who do not qualify would otherwise have been entitled, will be aggregated and sold on the JSE or the Stock Exchange, London ("JSE") as appropriate and they will receive cheques for their pro rata share of the net proceeds of such sales in the future.

The Barbrook rights offer is subject to the JSE granting listings for the relevant renounceable ("nil paid") letters of allocation for the Barbrook shares in class C shares. It may be possible to deal on the JSE in terms of Rule 635(4)(a) in Barbrook's letter of allocation and shares. However, no application will be made for the Barbrook shares to be admitted to the official list of the JSE nor for permission for dealings to take place in the Unlisted Securities Market of the JSE.

Additional financing:

As part of the initial negotiations between the existing members of Barbrook, it has been agreed that once Barbrook has raised in full the funds raised in terms of the Barbrook rights offer, further funding amounting to R50 million will be provided by Rand Mines and Anglo American and its associates to quarterly tranches as and when Barbrook needs such additional expenditure and may be required for working capital. The further funding will be administered by Barbrook and will be convertible into shares in Barbrook at a price of 100 cents each, convertible into shares in the ratio of 1:1 based on the option of the shareholder holding or when the full R50 million has been advanced, which must be by no later than 30 September 1989.

Terms of the offer:

Rand Mines, Anglo American and Barlow Rand will each subscribe for a portion of the Barbrook rights and further portions will be offered to selected members of staff of the companies concerned. Subject to the limitations stated herein, the remaining rights will be offered as follows:

- by Rand Mines to its shareholders, pro rata to their holdings, in the ratio of 111 shares in Barbrook for every 100 shares held in Rand Mines;

- by Anglo American to holders of its ordinary and "S" ordinary shares in the ratio of five shares in Barbrook for every 100 shares held in Anglo American; and

- by Barlow Rand to holders of its preference ordinary shares and ordinary shares and to holders of options granted before 10 September 1987 in terms of the Barlow 1985 Share Option Scheme in the ratio of five shares in Barbrook for every 100 preference ordinary shares, ordinary shares and options to acquire ordinary shares held in Barlow Rand.

The Barbrook shares will not be registered with the Securities and Exchange Commission, Washington DC, or the Securities Commission of Canada and, accordingly, no offer is being made to shareholders of Rand Mines, Anglo American or Barlow Rand with registered addresses in the United States of America or Canada. The rights which would otherwise have been allotted to such persons will, if possible, be sold on their behalf and the net proceeds remitted to them.

Last date to register:

The offers will be made to the holders of the aforementioned securities registered at the close of business on Friday 30 October 1987 (other than the holders of Barlow Rand options whose last date for registration was 10 September 1987). To determine those persons entitled to receive the offers, the relevant registrars will be closed from 31 October 1987 to 8 November 1987, inclusive.

Charters to shareholders:

Charters, which will include the renounceable ("nil paid") letters of allocation, where applicable, and the Barbrook prospectus, are being finalised and will be sent to qualifying shareholders of Rand Mines, Anglo American and Barlow Rand on or about 8 November 1987.

Johannesburg  
16 October 1987

## Elders IXL - it's more than twice the company it was a year ago

Net Income*	SA401.0 million up 121%
Assets	SA9.8 billion up 104%
Market Capitalisation	SA6.0 billion up 200%

\*Profit after tax, minority interests and preference dividends.

Elders IXL Limited  
Financial Highlights - years ended 30th June

SA million	1983	1984	1985	1986	1987
Revenue	\$3,700	\$5,600	\$7,000	\$7,700	\$10,600
Profit before tax	\$75.5	\$86.7	\$133.5	\$236.8	\$613.9
Net income	\$62.9	\$71.4	\$106.9	\$181.4	\$400.9
Total assets	\$1,198	\$2,438	\$2,147	\$4,795	\$9,795

## Results per Ordinary Share

Earnings	14c	16c	24c	36c	56c
Dividends	7c	9c	12c	14c	18c

Net asset backing \$0.89 \$1.09 \$1.21 \$1.50 \$2.60

## Key developments during the year were:

- The globalisation of the brewing business - by acquiring Courage Breweries (UK) and Carling O'Keefe Breweries (Canada) - now making Elders the sixth largest brewer in the world with Foster's Lager fast becoming a global brand.
- The progressive international expansion of other core businesses in Europe, North America and Asia.
- A significant profit result by Elders Resources Limited. In its first full year of operation the company reported SA55 million profit after tax. Elders Resources has now attained a market capitalisation of over SA1 billion.
- Elders IXL's success in raising SA1,340 million in funds through convertible bond issues. Elders IXL further increased its equity base by SA900 million through a rights issue.

Elders IXL has a consistent record of solid increases in revenue, net income, earnings per share and dividends. This year, results have again reached new heights.

Elders IXL continues to implement its strategy for growth through its core businesses - Elders Brewing Group, Elders Agribusiness Group, Elders Finance Group and Elders Resources - and through the entrepreneurial management of its investments.

An innovative reconstruction proposal in which 35% of the equity in Elders Brewing, Elders Agribusiness and Elders Finance Groups will be offered to the public. As part of the reconstruction, shareholders will have the choice of receiving either a capital repayment of SA1 per share or a one-for-five bonus issue, subject to shareholder and court approval.

The flotation of Elders Investments Limited - an entrepreneurial investment company based in Hong Kong.

The 1986/87 performance provides Elders with a sound base for the future - a future in which the Elders group of companies can continue to grow bigger and better than ever.

Elders IXL

FOR A COPY OF THE ANNUAL REPORT AND ACCOUNTS, PLEASE WRITE TO:  
DIRECTOR OF PUBLIC RELATIONS, CARLING O'KEEFE BREWERIES OF CANADA LIMITED, 4100 YONGE STREET, NORTH YORK, ONTARIO, CANADA M2P2C4.

DR-ELDERS





# WORLD MARKETS

**FT-ACTUARIES WORLD INDICES**  
Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY OCTOBER 15 1987				WEDNESDAY OCTOBER 14 1987				DOLLAR INDEX		
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year Ago (approx)
Australia (21)	165.39	-0.9	147.32	150.98	2.60	166.95	153.68	180.81	95.92	89.47	
Austria (16)	101.76	+0.3	90.64	95.19	2.17	101.45	90.96	102.87	85.53	86.46	
Belgium (48)	120.75	-2.5	107.56	112.57	4.21	123.50	110.45	124.40	95.97	85.65	
Canada (129)	129.00	-1.2	104.50	108.00	1.00	127.02	112.42	141.76	100.00	77.47	
Denmark (38)	122.00	-1.6	109.03	113.59	1.57	121.85	105.26	110.06	124.03	98.18	96.35
France (122)	99.03	-0.3	88.25	93.41	2.55	102.50	91.90	97.03	121.82	93.39	93.90
West Germany (93)	99.03	-1.5	88.20	92.70	2.04	100.50	90.13	104.93	94.00	94.87	
Hong Kong (46)	152.46	-0.2	135.80	152.74	3.18	152.85	137.03	151.18	156.64	95.89	89.09
Ireland (14)	256.26	-2.1	239.18	147.77	3.03	159.65	145.15	151.54	164.22	95.50	80.75
Italy (95)	95.70	+1.3	85.40	93.96	2.00	95.95	102.50	104.90	104.90	90.43	
Japan (48)	115.51	-0.8	101.95	104.90	1.50	112.71	117.02	122.42	104.90	95.00	
Malaysia (56)	176.25	-1.5	147.10	172.37	2.12	177.20	158.68	172.83	192.44	98.24	97.40
Mexico (24)	364.35	-0.3	242.53	640.57	0.47	365.01	345.21	676.25	422.59	76.72	76.49
Netherlands (37)	118.79	-1.5	105.80	109.84	4.06	120.54	115.80	121.13	131.43	96.65	96.25
New Zealand (23)	129.33	+0.7	115.20	105.95	2.78	129.15	115.80	107.33	138.99	83.95	79.46
Norway (24)	179.72	-1.0	159.72	160.52	1.69	181.00	162.38	182.00	185.00	102.71	
Singapore (27)	169.65	-0.7	147.20	154.05	3.06	167.44	148.07	164.60	198.00	100.00	95.83
South Africa (61)	142.00	+0.2	147.28	144.85	2.00	145.00	134.95	146.95	149.06	96.81	96.73
Spain (46)	143.52	-0.2	145.69	146.40	2.71	143.78	129.06	122.12	126.24	98.85	99.08
Sweden (34)	134.67	-1.2	119.25	126.30	1.81	134.20	121.35	127.29	128.82	96.00	96.52
Switzerland (53)	110.14	-0.8	98.10	101.71	1.62	111.00	99.52	103.36	111.11	92.01	96.05
United Kingdom (335)	158.41	-0.2	141.10	141.10	1.45	158.41	142.50	158.41	162.50	92.97	92.47
USA (594)	121.77	-2.3	108.63	111.97	2.04	124.86	112.88	137.42	108.00	92.12	
The World Index (421)	134.39	-1.3	119.70	126.59	2.04	136.18	122.11	128.69	139.73	100.00	96.20

Base values: Dec. 31, 1986 = 100  
Copyright, The Financial Times, Goldman, Sachs & Co., Ltd. 1987  
Amendments to indices for October 14 applied to the following: Denmark, France, Spain, Sweden, Europe Ex. UK, World Ex. US, World Ex. UK, World Ex. South Africa, World Ex. Japan and The World Index.

## EUROPEAN OPTIONS EXCHANGE

Series	May 87		Feb 88		May 88	
	Vol.	Last	Vol.	Last	Vol.	Last
GOLD C	402	130.90	192	97	—	—
GOLD E	498	3.70	352	2.85	—	—
GOLD S	345	2.20	102	2.00	—	—
GOLD P	125	—	102	—	—	—
GOLD D	540	2.20	102	—	—	—
Dec. 87	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
Dec. 87	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
Mar. 88	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
May 88	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
June 88	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
Aug. 88	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
Oct. 88	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
Dec. 88	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
Feb. 89	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
Apr. 89	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
Jun. 89	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800	57	50	—	—	—
SILVER D	5800	57	50	—	—	—
Aug. 89	—	—	—	—	—	—
SILVER C	5800	39	—	—	—	—
SILVER G	5650	57	50	—	—	—
SILVER P	5800					

## **UNIT TRUST INFORMATION SERVICE**

## **UNIT TRUST INFORMATION SERVICE**

40

THE HIGHEST INTERNATIONAL INSURANCE COMPANIES					
<b>Manufacturers Life Insurance—Cont'd.</b>					
Gen. Acc.	224	8			
Gen. Ass.	277	4			
General Inv.	194	4			
Gen. Inv.	149	4			
Gen. Inv.	307	4			
Gen. Inv.	62	4			
Gen. Inv. Ltd. Gen. Inv.	101	4			
Gen. Inv.	125	4			
Merchant Investors Assurance					
Lion House, 233 Regent St., Greyfriars, London W1					
Prop. Inv.	222	4			
Prop. Inv.	223	4			
Prop. Inv.	263	4			
Prop. Inv.	264	4			
Prop. Inv.	265	4			
Prop. Inv.	266	4			
Prop. Inv.	267	4			
Prop. Inv.	268	4			
Prop. Inv.	269	4			
Prop. Inv.	270	4			
Prop. Inv.	271	4			
Prop. Inv.	272	4			
Prop. Inv.	273	4			
Prop. Inv.	274	4			
Prop. Inv.	275	4			
Prop. Inv.	276	4			
Prop. Inv.	277	4			
Prop. Inv.	278	4			
Prop. Inv.	279	4			
Prop. Inv.	280	4			
Prop. Inv.	281	4			
Prop. Inv.	282	4			
Prop. Inv.	283	4			
Prop. Inv.	284	4			
Prop. Inv.	285	4			
Prop. Inv.	286	4			
Prop. Inv.	287	4			
Prop. Inv.	288	4			
Prop. Inv.	289	4			
Prop. Inv.	290	4			
Prop. Inv.	291	4			
Prop. Inv.	292	4			
Prop. Inv.	293	4			
Prop. Inv.	294	4			
Prop. Inv.	295	4			
Prop. Inv.	296	4			
Prop. Inv.	297	4			
Prop. Inv.	298	4			
Prop. Inv.	299	4			
Prop. Inv.	300	4			
Prop. Inv.	301	4			
Prop. Inv.	302	4			
Prop. Inv.	303	4			
Prop. Inv.	304	4			
Prop. Inv.	305	4			
Prop. Inv.	306	4			
Prop. Inv.	307	4			
Prop. Inv.	308	4			
Prop. Inv.	309	4			
Prop. Inv.	310	4			
Prop. Inv.	311	4			
Prop. Inv.	312	4			
Prop. Inv.	313	4			
Prop. Inv.	314	4			
Prop. Inv.	315	4			
Prop. Inv.	316	4			
Prop. Inv.	317	4			
Prop. Inv.	318	4			
Prop. Inv.	319	4			
Prop. Inv.	320	4			
Prop. Inv.	321	4			
Prop. Inv.	322	4			
Prop. Inv.	323	4			
Prop. Inv.	324	4			
Prop. Inv.	325	4			
Prop. Inv.	326	4			
Prop. Inv.	327	4			
Prop. Inv.	328	4			
Prop. Inv.	329	4			
Prop. Inv.	330	4			
Prop. Inv.	331	4			
Prop. Inv.	332	4			
Prop. Inv.	333	4			
Prop. Inv.	334	4			
Prop. Inv.	335	4			
Prop. Inv.	336	4			
Prop. Inv.	337	4			
Prop. Inv.	338	4			
Prop. Inv.	339	4			
Prop. Inv.	340	4			
Prop. Inv.	341	4			
Prop. Inv.	342	4			
Prop. Inv.	343	4			
Prop. Inv.	344	4			
Prop. Inv.	345	4			
Prop. Inv.	346	4			
Prop. Inv.	347	4			
Prop. Inv.	348	4			
Prop. Inv.	349	4			
Prop. Inv.	350	4			
Prop. Inv.	351	4			
Prop. Inv.	352	4			
Prop. Inv.	353	4			
Prop. Inv.	354	4			
Prop. Inv.	355	4			
Prop. Inv.	356	4			
Prop. Inv.	357	4			
Prop. Inv.	358	4			
Prop. Inv.	359	4			
Prop. Inv.	360	4			
Prop. Inv.	361	4			
Prop. Inv.	362	4			
Prop. Inv.	363	4			
Prop. Inv.	364	4			
Prop. Inv.	365	4			
Prop. Inv.	366	4			
Prop. Inv.	367	4			
Prop. Inv.	368	4			
Prop. Inv.	369	4			
Prop. Inv.	370	4			
Prop. Inv.	371	4			
Prop. Inv.	372	4			
Prop. Inv.	373	4			
Prop. Inv.	374	4			
Prop. Inv.	375	4			
Prop. Inv.	376	4			
Prop. Inv.	377	4			
Prop. Inv.	378	4			
Prop. Inv.	379	4			
Prop. Inv.	380	4			
Prop. Inv.	381	4			
Prop. Inv.	382	4			
Prop. Inv.	383	4			
Prop. Inv.	384	4			
Prop. Inv.	385	4			
Prop. Inv.	386	4			
Prop. Inv.	387	4			
Prop. Inv.	388	4			
Prop. Inv.	389	4			
Prop. Inv.	390	4			
Prop. Inv.	391	4			
Prop. Inv.	392	4			
Prop. Inv.	393	4			
Prop. Inv.	394	4			
Prop. Inv.	395	4			
Prop. Inv.	396	4			
Prop. Inv.	397	4			
Prop. Inv.	398	4			
Prop. Inv.	399	4			
Prop. Inv.	400	4			
Prop. Inv.	401	4			
Prop. Inv.	402	4			
Prop. Inv.	403	4			
Prop. Inv.	404	4			
Prop. Inv.	405	4			
Prop. Inv.	406	4			
Prop. Inv.	407	4			
Prop. Inv.	408	4			
Prop. Inv.	409	4			
Prop. Inv.	410	4			
Prop. Inv.	411	4			
Prop. Inv.	412	4			
Prop. Inv.	413	4			
Prop. Inv.	414	4			
Prop. Inv.	415	4			
Prop. Inv.	416	4			
Prop. Inv.	417	4			
Prop. Inv.	418	4			
Prop. Inv.	419	4			
Prop. Inv.	420	4			
Prop. Inv.	421	4			
Prop. Inv.	422	4			
Prop. Inv.	423	4			
Prop. Inv.	424	4			
Prop. Inv.	425	4			
Prop. Inv.	426	4			
Prop. Inv.	427	4			
Prop. Inv.	428	4			
Prop. Inv.	429	4			
Prop. Inv.	430	4			
Prop. Inv.	431	4			
Prop. Inv.	432	4			
Prop. Inv.	433	4			
Prop. Inv.	434	4			
Prop. Inv.	435	4			
Prop. Inv.	436	4			
Prop. Inv.	437	4			
Prop. Inv.	438	4			
Prop. Inv.	439	4			
Prop. Inv.	440	4			
Prop. Inv.	441	4			
Prop. Inv.	442	4			
Prop. Inv.	443	4			
Prop. Inv.	444	4			
Prop. Inv.	445	4			
Prop. Inv.	446	4			
Prop. Inv.	447	4			</



## LONDON SHARE SERVICE

## AMERICANS—Continued

Symbol	Name	Price	Yield	No.	Mr.	CW	PE
104	Low Stock	311.24	2.2	174	174	25	10.0
113	McBride Corp	133.11	1.1	22	22	25	10.0
124	Sure Lte	211.00	1.1	21	21	25	10.0
134	St. Louis F. Co.	211.50	1.1	21	21	25	10.0
141	Staley Confection	171.50	1.1	21	21	25	10.0
142	Staley Confect	51.00	1.1	21	21	25	10.0
143	Textron Inc.	111.00	1.1	21	21	25	10.0
144	Textron Inc.	105.00	1.1	21	21	25	10.0
145	Textron Inc.	105.00	1.1	21	21	25	10.0
146	Textron Inc.	105.00	1.1	21	21	25	10.0
147	Textron Inc.	105.00	1.1	21	21	25	10.0
148	De Marti S. 61.5	22.00	1.1	21	21	25	10.0
149	Transair	22.00	1.1	21	21	25	10.0
150	Transamerica	22.00	1.1	21	21	25	10.0
151	Transamerica	22.00	1.1	21	21	25	10.0
152	Transamerica	22.00	1.1	21	21	25	10.0
153	Transamerica	22.00	1.1	21	21	25	10.0
154	Transamerica	22.00	1.1	21	21	25	10.0
155	Transamerica	22.00	1.1	21	21	25	10.0
156	Transamerica	22.00	1.1	21	21	25	10.0
157	Transamerica	22.00	1.1	21	21	25	10.0
158	Transamerica	22.00	1.1	21	21	25	10.0
159	Transamerica	22.00	1.1	21	21	25	10.0
160	Transamerica	22.00	1.1	21	21	25	10.0
161	Transamerica	22.00	1.1	21	21	25	10.0
162	Transamerica	22.00	1.1	21	21	25	10.0
163	Transamerica	22.00	1.1	21	21	25	10.0
164	Transamerica	22.00	1.1	21	21	25	10.0
165	Transamerica	22.00	1.1	21	21	25	10.0
166	Transamerica	22.00	1.1	21	21	25	10.0
167	Transamerica	22.00	1.1	21	21	25	10.0
168	Transamerica	22.00	1.1	21	21	25	10.0
169	Transamerica	22.00	1.1	21	21	25	10.0
170	Transamerica	22.00	1.1	21	21	25	10.0
171	Transamerica	22.00	1.1	21	21	25	10.0
172	Transamerica	22.00	1.1	21	21	25	10.0
173	Transamerica	22.00	1.1	21	21	25	10.0
174	Transamerica	22.00	1.1	21	21	25	10.0
175	Transamerica	22.00	1.1	21	21	25	10.0
176	Transamerica	22.00	1.1	21	21	25	10.0
177	Transamerica	22.00	1.1	21	21	25	10.0
178	Transamerica	22.00	1.1	21	21	25	10.0
179	Transamerica	22.00	1.1	21	21	25	10.0
180	Transamerica	22.00	1.1	21	21	25	10.0
181	Transamerica	22.00	1.1	21	21	25	10.0
182	Transamerica	22.00	1.1	21	21	25	10.0
183	Transamerica	22.00	1.1	21	21	25	10.0
184	Transamerica	22.00	1.1	21	21	25	10.0
185	Transamerica	22.00	1.1	21	21	25	10.0
186	Transamerica	22.00	1.1	21	21	25	10.0
187	Transamerica	22.00	1.1	21	21	25	10.0
188	Transamerica	22.00	1.1	21	21	25	10.0
189	Transamerica	22.00	1.1	21	21	25	10.0
190	Transamerica	22.00	1.1	21	21	25	10.0
191	Transamerica	22.00	1.1	21	21	25	10.0
192	Transamerica	22.00	1.1	21	21	25	10.0
193	Transamerica	22.00	1.1	21	21	25	10.0
194	Transamerica	22.00	1.1	21	21	25	10.0
195	Transamerica	22.00	1.1	21	21	25	10.0
196	Transamerica	22.00	1.1	21	21	25	10.0
197	Transamerica	22.00	1.1	21	21	25	10.0
198	Transamerica	22.00	1.1	21	21	25	10.0
199	Transamerica	22.00	1.1	21	21	25	10.0
200	Transamerica	22.00	1.1	21	21	25	10.0
201	Transamerica	22.00	1.1	21	21	25	10.0
202	Transamerica	22.00	1.1	21	21	25	10.0
203	Transamerica	22.00	1.1	21	21	25	10.0
204	Transamerica	22.00	1.1	21	21	25	10.0
205	Transamerica	22.00	1.1	21	21	25	10.0
206	Transamerica	22.00	1.1	21	21	25	10.0
207	Transamerica	22.00	1.1	21	21	25	10.0
208	Transamerica	22.00	1.1	21	21	25	10.0
209	Transamerica	22.00	1.1	21	21	25	10.0
210	Transamerica	22.00	1.1	21	21	25	10.0
211	Transamerica	22.00	1.1	21	21	25	10.0
212	Transamerica	22.00	1.1	21	21	25	10.0
213	Transamerica	22.00	1.1	21	21	25	10.0
214	Transamerica	22.00	1.1	21	21	25	10.0
215	Transamerica	22.00	1.1	21	21	25	10.0
216	Transamerica	22.00	1.1	21	21	25	10.0
217	Transamerica	22.00	1.1	21	21	25	10.0
218	Transamerica	22.00	1.1	21	21	25	10.0
219	Transamerica	22.00	1.1	21	21	25	10.0
220	Transamerica	22.00	1.1	21	21	25	10.0
221	Transamerica	22.00	1.1	21	21	25	10.0
222	Transamerica	22.00	1.1	21	21	25	10.0
223	Transamerica	22.00	1.1	21	21	25	10.0
224	Transamerica	22.00	1.1	21	21	25	10.0
225	Transamerica	22.00	1.1	21	21	25	10.0
226	Transamerica	22.00	1.1	21	21	25	10.0
227	Transamerica	22.00	1.1	21	21	25	10.0
228	Transamerica	22.00	1.1	21	21	25	10.0
229	Transamerica	22.00	1.1	21	21	25	10.0
230	Transamerica	22.00	1.1	21	21	25	10.0
231	Transamerica	22.00	1.1	21	21	25	10.0
232	Transamerica	22.00	1.1	21	21	25	10.0
233	Transamerica	22.00	1.1	21	21	25	10.0
234	Transamerica	22.00	1.1	21	21	25	10.0
235	Transamerica	22.00	1.1	21	21	25	10.0
236	Transamerica	22.00	1.1	21	21	25	10.0
237	Transamerica	22.00	1.1	21	21	25	10.0
238	Transamerica	22.00	1.1	21	21	25	10.0
239	Transamerica	22.00	1.1	21	21	25	10.0
240	Transamerica	22.00	1.1	21	21	25	10.0
241	Transamerica	22.00	1.1	21	21	25	10.0
242	Transamerica	22.00	1.1	21	21	25	10.0
243	Transamerica	22.00	1.1	21	21	25	10.0
244	Transamerica	22.00					



## LONDON STOCK EXCHANGE

Recent Dealing Dates						
First	Second	Last	Average	Open	High	Low
Sept 28	Oct 1	Oct 2	Oct 19			
Oct 12	Oct 22	Oct 23	Oct 2			
Oct 26	Nov 5	Nov 5	Nov 16			
New issue dealings may take place from 2nd onwards						

# Widespread losses in Gilt-edged and equities follow Wall Street shakeout

though a weak Wall Street could unsettle BP when the new shares commence trading a fortnight hence.

The Government bond market came under heavy pressure when the failure of long yields to hold at 10½ per cent opened up the possibility of a new trading range. However, the prospect remained untested as prices stood still at the close.

While London appears prepared to accept another increase in US discount rates, nerves were tightening yesterday ahead of the release of the latest UK statistics on Public Sector Borrowing Requirement (PSBR) due today, on bank lending and money supply figures due on Tuesday, and the September trade figures, due on Wednesday.

Financial sectors continued to reflect the stance of the Bank of England to any moves by industrial or commercial companies to gain control of the clearing banks. The big-four fell further during early trading before staging a strong rally in mid-session. At the close Midland slipped a net rise of 10p to 1,520.50, while Lloyds rose 10p to 1,618.50. A US house was said to have been a big buyer of the shares, which had fallen to 58p after a sharp dip in July.

Merchant banks were featured by Kleinwort Benson, which dropped 11 to 569p yesterday, and the next day fell 10 to 558p. The stock market reflected depression with Wall Street's mood rather than heavy selling pressure - losses were extended when New York opened lower and as quickly reduced when the transatlantic market turned better.

Beneath the trading excitement, the mood in equities remained relatively steady. No significant price levels were breached, although both the FT-SE and FT All-Share indices are now close to testing points.

With sterling still very firm against the D-mark as well as the dollar, the City remained confident that UK interest rates could resist even another increase in US discount rate.

The UK market is still the safest place to be, said a leading trader in mid-morning. However, much remains on the near-term trend of Wall Street.

New York's weakness was blamed for the pricing of the BP share offer at 330p rather than at the 340p estimated by the City. A block of 1m shares in BP changed hands in London the evening before the pricing announcement.

At the announced price, the offer to private investors is considered a certain success, al-

FINANCIAL TIMES STOCK INDICES											
	Oct 15	Oct 14	Oct 13	Oct 12	Oct 9	Year ago	1987	Since Compilation			
							High	Low	High	Low	
Government Secs	64.90	65.65	65.70	65.63	65.40	62.77	92.32	84.49	127.4	49.18	
Fixed Interest	91.50	91.67	92.27	92.24	92.20	89.03	99.12	90.23	105.4	50.53	
Utilities	1812.9	1834.7	1847.4	1839.2	1858.2	1777.6	1,926.2	1,320.2	1,926.2	49.4	
Gold Mins	436.3	438.2	447.5	452.3	449.5	304.3	475.5	288.2	734.7	43.5	
Ord. Div. Yield	3.32	3.28	3.26	3.27	3.17	4.37					
Earnings Yld.% (Full)	8.15	8.06	8.00	8.02	7.78	10.04					
P/E Ratio (1*)	15.01	15.17	15.28	15.24	15.72	12.21					
SEAO Bargains (5 p)	34,797	35,468	37,493	38,499	52,538	—					
Equity Turnover (Ldn.)	—	—	17,358.00	14,332.29	16,734.50	619.59					
Equity Bargains	—	42,062	44,576	53,289	56,071	54,137					
Shares Traded (mln.)	—	673.2	522.7	541.2	610.7	318.2					
▼ Opening 1813.5 10 a.m. 1819.4 11 a.m. 1816.5 Noon 1818.4 1 p.m. 1815.0 2 p.m. 1811.9 3 p.m. 1806.8 4 p.m. 1809.0 Day's High 1820.8 Day's Low 1802.3 Bds 100 Govt. Secs 15/10/86, Fixed Int. 19/28, Ordinary 1/7/85, Gold Mins 12/9/85, SE Activity 15.67% Nis 14.81%											

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

for Boddington following opposition from major shareholder Whitbread Investment and from Britannia Assurance dealt a blow to regional Brewers. Boddington tumbled to 174p before ending a net 23 down to 185p, and many other issues reacted sharply before rallying later. Vaux lost 10 to 582p, after a double fall, and was sustained by a rise in trading stocks. Whitbread 'A' losing 8 to 326p to 323p and Guinness 5 to 364p.

The Building sector was bereft of features. Blue Circle, mirroring the general malaise, eased to 470p prior to closing 10 lower at 475p. RMC softened a couple of days earlier, and was sustained by a rise in trading stocks. Whistlers' A' losing 8 to 326p to 323p and Guinness 5 to 364p.

Leading electronics issues were upset by the initial slide on Wall Street but usually recovered their losses later. British Telecom dipped 3 to 232p, weakened by US selling overnight, while GEC gave up 4 to 234p following preliminary profits much in line with market expectations. John Alcock added 4 to 221p, helped by a one-off one-for-twenty issue which accompanied the annual results. Fitch Lovell dipped 10 to 360p following adverse Press comment.

International stocks rallied to end above the worst as Wall Street staged a recovery from initial weakness early yesterday. Glaxo were a lively market (some 9.4m shares), while 250p, followed by a rise in trading stocks. British Gas was still unsettled by fears of competition for its anti-Aids drug Retrovir, drifted back a few pence more to 475p in a small volume of business elsewhere. Westers weakened afresh to 77ip, down 14, amid continuing worries about growth prospects. Red International failed to benefit from the proposed acquisition of Billington and Wright, publishers of the north London-based inde-

pendent group of free newspapers, closing 5 cheaper at 304p.

Bumper interim figures prompted a rise of 3 to 215p in Niswink Industries, 1 billion shares 15 to 185p in the wake of the half-year loss. Sales improved 8 more to 471p helped by a buy recommendation from Scrimgeour Vickers.

Scrimgeour Vickers. Rumours of a possible bid from Hillsdown Holdings, the latter, too, were first and closed 3 higher at 335p. Elsewhere, Bejan shed 4 to 244p following preliminary profits much in line with market expectations. John Alcock added 4 to 221p, helped by a one-off one-for-twenty issue which accompanied the annual results. Fitch Lovell dipped 10 to 360p following adverse Press comment.

International stocks rallied to end above the worst as Wall Street staged a recovery from initial weakness early yesterday. Glaxo were a lively market (some 9.4m shares), while 250p, followed by a rise in trading stocks. British Gas was still unsettled by fears of competition for its anti-Aids drug Retrovir, drifted back a few pence more to 475p in a small volume of business elsewhere. Westers weakened afresh to 77ip, down 14, amid continuing worries about growth prospects. Red International failed to benefit from the proposed acquisition of Billington and Wright, publishers of the north London-based inde-

pendent group of free newspapers, closing 5 cheaper at 304p.

Bumper interim figures prompted a rise of 3 to 215p in Niswink Industries, 1 billion shares 15 to 185p in the wake of the half-year loss. Sales improved 8 more to 471p helped by a buy recommendation from Scrimgeour Vickers.

Scrimgeour Vickers. Rumours of a possible bid from Hillsdown Holdings, the latter, too, were first and closed 3 higher at 335p. Elsewhere, Bejan shed 4 to 244p following preliminary profits much in line with market expectations. John Alcock added 4 to 221p, helped by a one-off one-for-twenty issue which accompanied the annual results. Fitch Lovell dipped 10 to 360p following adverse Press comment.

International stocks rallied to end above the worst as Wall Street staged a recovery from initial weakness early yesterday. Glaxo were a lively market (some 9.4m shares), while 250p, followed by a rise in trading stocks. British Gas was still unsettled by fears of competition for its anti-Aids drug Retrovir, drifted back a few pence more to 475p in a small volume of business elsewhere. Westers weakened afresh to 77ip, down 14, amid continuing worries about growth prospects. Red International failed to benefit from the proposed acquisition of Billington and Wright, publishers of the north London-based inde-

pendent group of free newspapers, closing 5 cheaper at 304p.

Bumper interim figures prompted a rise of 3 to 215p in Niswink Industries, 1 billion shares 15 to 185p in the wake of the half-year loss. Sales improved 8 more to 471p helped by a buy recommendation from Scrimgeour Vickers.

Scrimgeour Vickers. Rumours of a possible bid from Hillsdown Holdings, the latter, too, were first and closed 3 higher at 335p. Elsewhere, Bejan shed 4 to 244p following preliminary profits much in line with market expectations. John Alcock added 4 to 221p, helped by a one-off one-for-twenty issue which accompanied the annual results. Fitch Lovell dipped 10 to 360p following adverse Press comment.

International stocks rallied to end above the worst as Wall Street staged a recovery from initial weakness early yesterday. Glaxo were a lively market (some 9.4m shares), while 250p, followed by a rise in trading stocks. British Gas was still unsettled by fears of competition for its anti-Aids drug Retrovir, drifted back a few pence more to 475p in a small volume of business elsewhere. Westers weakened afresh to 77ip, down 14, amid continuing worries about growth prospects. Red International failed to benefit from the proposed acquisition of Billington and Wright, publishers of the north London-based inde-

pendent group of free newspapers, closing 5 cheaper at 304p.

Bumper interim figures prompted a rise of 3 to 215p in Niswink Industries, 1 billion shares 15 to 185p in the wake of the half-year loss. Sales improved 8 more to 471p helped by a buy recommendation from Scrimgeour Vickers.

Scrimgeour Vickers. Rumours of a possible bid from Hillsdown Holdings, the latter, too, were first and closed 3 higher at 335p. Elsewhere, Bejan shed 4 to 244p following preliminary profits much in line with market expectations. John Alcock added 4 to 221p, helped by a one-off one-for-twenty issue which accompanied the annual results. Fitch Lovell dipped 10 to 360p following adverse Press comment.

International stocks rallied to end above the worst as Wall Street staged a recovery from initial weakness early yesterday. Glaxo were a lively market (some 9.4m shares), while 250p, followed by a rise in trading stocks. British Gas was still unsettled by fears of competition for its anti-Aids drug Retrovir, drifted back a few pence more to 475p in a small volume of business elsewhere. Westers weakened afresh to 77ip, down 14, amid continuing worries about growth prospects. Red International failed to benefit from the proposed acquisition of Billington and Wright, publishers of the north London-based inde-

pendent group of free newspapers, closing 5 cheaper at 304p.

Bumper interim figures prompted a rise of 3 to 215p in Niswink Industries, 1 billion shares 15 to 185p in the wake of the half-year loss. Sales improved 8 more to 471p helped by a buy recommendation from Scrimgeour Vickers.

Scrimgeour Vickers. Rumours of a possible bid from Hillsdown Holdings, the latter, too, were first and closed 3 higher at 335p. Elsewhere, Bejan shed 4 to 244p following preliminary profits much in line with market expectations. John Alcock added 4 to 221p, helped by a one-off one-for-twenty issue which accompanied the annual results. Fitch Lovell dipped 10 to 360p following adverse Press comment.

International stocks rallied to end above the worst as Wall Street staged a recovery from initial weakness early yesterday. Glaxo were a lively market (some 9.4m shares), while 250p, followed by a rise in trading stocks. British Gas was still unsettled by fears of competition for its anti-Aids drug Retrovir, drifted back a few pence more to 475p in a small volume of business elsewhere. Westers weakened afresh to 77ip, down 14, amid continuing worries about growth prospects. Red International failed to benefit from the proposed acquisition of Billington and Wright, publishers of the north London-based inde-

pendent group of free newspapers, closing 5 cheaper at 304p.

Bumper interim figures prompted a rise of 3 to 215p in Niswink Industries, 1 billion shares 15 to 185p in the wake of the half-year loss. Sales improved 8 more to 471p helped by a buy recommendation from Scrimgeour Vickers.

Scrimgeour Vickers. Rumours of a possible bid from Hillsdown Holdings, the latter, too, were first and closed 3 higher at 335p. Elsewhere, Bejan shed 4 to 244p following preliminary profits much in line with market expectations. John Alcock added 4 to 221p, helped by a one-off one-for-twenty issue which accompanied the annual results. Fitch Lovell dipped 10 to 360p following adverse Press comment.

International stocks rallied to end above the worst as Wall Street staged a recovery from initial weakness early yesterday. Glaxo were a lively market (some 9.4m shares), while 250p, followed by a rise in trading stocks. British Gas was still unsettled by fears of competition for its anti-Aids drug Retrovir, drifted back a few pence more to 475p in a small volume of business elsewhere. Westers weakened afresh to 77ip, down 14, amid continuing worries about growth prospects. Red International failed to benefit from the proposed acquisition of Billington and Wright, publishers of the north London-based inde-

pendent group of free newspapers, closing 5 cheaper at 304p.

Bumper interim figures prompted a rise of 3 to 215p in Niswink Industries, 1 billion shares 15 to 185p in the wake of the half-year loss. Sales improved 8 more to 471p helped by a buy recommendation from Scrimgeour Vickers.

Scrimgeour Vickers. Rumours of a possible bid from Hillsdown Holdings, the latter, too, were first and closed 3 higher at 335p. Elsewhere, Bejan shed 4 to 244p following preliminary profits much in line with market expectations. John Alcock added 4 to 221p, helped by a one-off one-for-twenty issue which accompanied the annual results. Fitch Lovell dipped 10 to 360p following adverse Press comment.

International stocks rallied to end above the worst as Wall Street staged a recovery from initial weakness early yesterday. Glaxo were a lively market (some 9.4m shares), while 250p, followed by a rise in trading stocks. British Gas was still unsettled by fears of competition for its anti-Aids drug Retrovir, drifted back a few pence more to 475p in a small volume of business elsewhere. Westers weakened afresh to 77ip, down 14, amid continuing worries about growth prospects. Red International failed to benefit from the proposed acquisition of Billington and Wright, publishers of the north London-based inde-

pendent group of free newspapers, closing 5 cheaper at 304p.

Bumper interim figures prompted a rise of 3 to 215p in Niswink Industries, 1 billion shares 15 to 185p in the wake of the half-year loss. Sales improved 8 more to 471p helped by a buy recommendation from Scrimgeour Vickers.

Scrimgeour Vickers. Rumours of a possible bid from Hillsdown Holdings, the latter, too, were first and closed 3 higher at 335p. Elsewhere, Bejan shed 4 to 244

## **WORLD STOCK MARKETS**

## **OVER-THE-COUNTER** Nasdaq national market, closing prices

... at no extra charge, if you work in the business centre of  
**MILANO**

 Milano (02) 6887041

And ask Intercontinental S. r. l. for details.

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month Composite Closing Prices												12 Month Composite Closing Prices												12 Month Composite Closing Prices						
High	Low	Stock	Div.	Vid.	P/ Stk.	100s High	Low	Close Prev.	High	Low	Stock	Div.	Vid.	P/ Stk.	100s High	Low	Close Prev.	High	Low	Stock	Div.	Vid.	P/ Stk.	100s High	Low	Close Prev.				
36	22	AAR	5	10	15.21	400	341	303	341	-1	BIA	13	29	37	29	32	31	31	17.7	16.4	HIMF	5	3.3	17.7	16.4	15.21	14.2	12.4		
32	17	AFG	8	10	6.2	114	204	278	278	-2	BIA	21	11	3	3	37	40	41	21	25.5	17.1	HIMF	72	7.2	21	25.5	17.1	15.21	14.2	12.4
10	52	AGC	5	10	30	25	25	21	21	-2	BIA	11	12	12	12	12	12	12	20.5	21.5	HIMF	2	2.3	21.5	20.5	18.5	17.5	15.5		
10	52	AM	1	64	793	7	7	7	7	-1	BIA	14	15	15	15	15	15	15	15	15	HIMF	14	1.4	15	15	15	15	15	15	
65	27	AMR	1	11	778	51	504	504	504	-1	BARD	42	42	363	363	363	363	363	363	363	363	HIMF	10	1.5	16.5	16.5	16.5	16.5	16.5	16.5
37	17	AMX	1	11	108	50	50	50	50	-1	BARD	10	23	213	213	213	213	213	213	213	HIMF	10	1.5	16.5	16.5	16.5	16.5	16.5	16.5	
73	24	ASA	2	24	11	102	64	62	62	+1	BARNETT	22	22	11	11	11	11	11	11	11	HIMF	11	1.1	22.8	22.8	22.8	22.8	22.8	22.8	
22	94	AVI	1	36	717	19	19	19	19	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
67	17	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54	-1	BASIN	14	15	15	15	15	15	15	15	HIMF	11	1.1	19.5	19.5	19.5	19.5	19.5	19.5		
23	84	AVL	1	1.8	21	767	54	54	54																					

# **NYSE COMPOSITE CLOSING PRICES**

**Continued from Page 46**

## **AMEX COMPOSITE CLOSING PRICES**

Stock	Div	P/S				P/S				P/S				P/S						
		E	100s	High	Low	Close	Change	E	100s	High	Low	Close	Change	E	100s	High	Low	Close	Change	
AT&T		369	16	127	117	117	-	Deemed	670	14	13-16	14	-16	Imtrkt	10	26	1	13	-13	
Actions		72	10	16	16	16	-	Dillard	16	18	647	44	-42	Int'lBnk	26	26	1	13	-13	
AirFltch		268	108	417	413	413	-	Diodes	17	20	31	31	-3	Int'lPur	6	6	5	71	-71	
Alpinia		106	8	22	21	21	-	DomP	1028	12	13-16	11	-16	Hogbird	8	40	27	27	-27	
Alts		147	122	345	335	335	-13	Ducan	20	12	26	16	-16	J	K					
Amtd		20	23321	401	401	401	+1	EAC	E	E	E	E		Jacobs	51	79	17	16	-16	
AMZnA		52	10	50	22	217	-	EagleCI	103	2	51	7	-7	Jelon	49	53	41	41	-41	
AMZnB		52	9	11	21	21	-	EstnCo	1	14	4	32	-32	JohnPd	25	25	41	4	-4	
AMZnD		106	3	2	3	3	-	Expo 2,900	17	27	204	204	-204	Johnnind	8	29	23	23	-23	
APeff		16	4	77	71	71	-1	Expo 6,800	68	3228	27	204	-204	KayCp	.12	3	48	12	-12	
APrec		20	59	1	161	141	-141	Expo 680	26	38	17	16	-16	KevCoA 05c	189	3	31	31	-31	
ArnRoy1,520		4	43	50	51	51	-1	Elmer	323	3	29	29	-29	Kirkak	9	17	41	41	-41	
ASClE		216	21	49	49	49	-	Empa22a	440	33	31	31	-31	Kurby	154	41	47	47	-47	
Ampl		86	81	24	24	24	+1	ENSCO	26	4036	51	41	-41	KugorC 2.40	149	203	204	204	-204	
Andal		4	7	2	6	6	-	EndM	22	556	74	55	-55	L	L					
Antib		7	14	14	14	14	-	F	F	F	F	F	LeBarg	5	20	11	11	-11		
ArzCmn		43	5	4	5	5	-4	Fabind	.00	13	91	59	-59	LdmBw	20	7	71	8	-8	
Artrnd		8	16	251	251	251	-3	Fedata	19	51	51	51	-51	Laser	10	253	104	10	-10	
Asmng		20	900	51	78	78	-	FAusP1,000	1480	51	51	51	-51	LePins	14	25	41	41	-41	
Astroic		300	7-18	3	3	3	-1-10	Flame	6	21	7	5	-5	LensurT	7	100	56	56	-56	
Atans		15	547	71	104	104	-1	Flare	1,28	23	567	20	-20	Llolumo	32	281	41	370	-370	
AltisCM		426	1	1	74	74	-	FlinFlin	11	63	64	64	-64	Llylyn	15	451	74	63	-63	
Atticent		37	271	21	21	21	-1	ForstI	29	675	24	23	-24	LorTel	14	1881	141	14	-14	
BAT		278	B	B	B	B		FrostE	20	302	194	191	-191	Lumex	38	13	35	141	-141	
Bansing		14	2230	111	103	111	+3-16	FruitL	20	51	51	51	-51	LynchC	20	7	171	171	-171	
BaryFg		62	87	69	69	69	-1	G	G	G	G	M	M	M	M	Synalog	53	51	51	51
Berach		11	210	41	74	74	-	GTI	25	154	74	71	-71	MCO	Hd	7	16	16	16	
BergBr		32	19	154	22	21	-	GauJi	275	74	7	71	-71	MSO	Pg	37	8-16	17	-1-16	
BiccP		.72	14	61	29	29	+4	GauNf	56	22	455	26	-26	MSR	DI	33	414	201	195	
BigV		22	21	102	207	207	-	GarVig	102	125	254	254	-254	Matfish		34	7	71	71	
BankM		11	13	8	31	31	-	Gebtla	56	17	165	35	-35	MatSci		20	54	217	219	
Blouda		40	32	1	17	17	-	Gehr	10	14	27	27	-27	Matrix		11	248	71	71	
Bowlar,10x		24	15	15	141	141	-	GleGf	41	5	5	5	-5	Medias		24	62	625	421	
Bowme		73	21	21	21	21	-	Gondal	148	102	172	151	-151	Mcdoore		50	51	4	-4	
Bowmes		25	16	335	204	194	20	GrtLAC	27	674	674	674	-674	McHsBr		15	80	54	-54	
Brcing		38	107	254	270	270	-1	Gremns	102	71	71	71	-71	MidAm		22	2	71	71	
CDDs		20	21	25	25	25	-1	GretCts	42	15	58	155	-155	Minew	22	4	8	54	-54	
CM	Cp	20	263	25	25	25	-4	GtGdfn	1725	150	d15%	15%	-15%	MchIE	24	76	145	134	-134	
CMarcg		28	1	143	103	143	-	H	H	H	H	N	N	N	N	U	U	U		
Casta		32	15	202	201	201	-	Halm	12	619	3	27	3	-1	NVRym	41	8	458	51	-51
ChmEnv		83	63	64	64	64	-	Hdrlan,Ble	45	10%	102	101	-101	NtPmP	.10	187	101	101	-101	
ChmpCo		20	48	34	34	34	-	Hasotr	16	631	150	172	-172	NtWAr		6	10	221	212	
ChmkDfd		24	21	1167	36	351	-	HlmCh	86	158	95	95	-95	NtPrcP	1,180	13	1	271	-271	
Chmrs		120	21	7	22	22	-	Hlitz2,226	10	170	170	191	-191	NtWde		45	41	71	-71	
CityGas		54	14	15	15	15	-	Hecto	.10	7	55	31	-303	NYTime	44	20	4244	365	-361	
Cinemat		2	15	15	15	15	-	HertEn	275	51	41	41	-41	NCOG		333	212	761	-761	
CmpCcs		13	450	64	47	47	-	HersCh	182	8	71	8	-8	NuclDf		19	31	32	-32	
ConamG		24	21	21	21	21	-	HlmCp	59	111	15	142	-142	Nutrac		35	73	73	-73	
ContMfl		5	114	6	d 17	70	+4	HmSnts	30	6351	101	4	-4	O	P	O	O			
Cross		38	23	54	53	51	-	Hormels	20	415	251	247	-247	Oea		17	7	201	-201	
CritCP		68	154	160	160	160	-	Hosler	786	147	147	147	-147	OdaIA		15	17	71	-71	
CtrCPs		1	133	133	133	133	-	HovOt	.18e	5	206	11	-11	Oderr		207	19	19	-19	
CscDf22,25		5	241	241	241	241	-	HovMs	10	422	12	111	-111	Odkrep		24	240	321	-321	
Cubic		36	15	129	161	161	-	I	I	I	I	ParcP		17	201	281	-281			
Curcua	1.04	15	23	381	381	381	-	I	I	I	I	Perfinc	30	15	55	141	-141			
Custmax		30	681	21	21	21	-	I	I	I	I	Pheas	200	101	145	141	-141			
D D								I	I	I	I	PhilLD	186	4	334	161	-161			
DWg		9	216	56	56	56	-	I	I	I	I	PionSy		28	111	14	-14			
Dawson		560	3	5-16	5-16	5-16	-	I	I	I	I	PitDim		3	220	224	-224			
DataPd	.16	32	589	107	107	107	-	I	I	I	I	Pitway	180	16	12	1001	-88			
D	Ind							I	I	I	I	PopeEv		51	171	171	-171			
D	Dw							I	I	I	I	Zimer		76	31	31	-31			
D	Dwg							I	I	I	I	X		Y		Z				

**OVER-THE-COUNTER** Nasdaq national market, closing price

Stock	Sales (Units)	High	Low	Last	Chg	Stock	Sales (Units)	High	Low	Last	Chg	Stock	Sales (Units)	High	Low	Last	Chg	Stock	Sales (Units)	High	Low	Last	Chg							
AASWbd	85	144	14	140	-7	Chiron	2447	22	214	20	+14	FIMbEs	1	10	46	32	-31	Kemps	50	73761	304	292	-30	-1						
ADC	18	312	20	26	-25	CinCDev	22	51	655	17	-16	FIMHSs	16	31	204	204	-204	KyCnLs	40	8122	154	144	-154	-1						
ASK	20	150	121	121	-12	CinCPri1.52s	10	235	554	56	+55	FNCm1.58	13	33	356	46	-46	Kmcad	20	11116	15	14	-14	-1						
AST	15	1330	174	165	-16	CinCts	22	263	36	354	-354	FSeC	1.10	33	161	204	-204	Knider	30	151254	15	14	-14	-1						
Atmida	37	1585	192	19	-1	Cipher	30	242	95	95	-95	FTamn	1.16	11	176	295	-295	Komag	30	570	15	14	-14	-1						
Azum	32	1623	11	104	-1	CircEx	12	135	94	84	-84	FULic	20	8	5725	20	-20	Krueger	30	17	220	34	-34	Kulcke	14	221	14	14	-14	-1
Adapt	14	210	11	104	-1	CiscoOp	1	12	151	274	-274	FVdly	.24	13	72	344	-34	LAGear	30	388	114	105	-105	-1						
AdvSws	10	27	55	24	-25	CoFu	.50	9	520	194	-194	Fiber	1.10	14	81	55	-55	LSt	14	711148	204	204	-204	-1						
AdvTet	23	326	261	274	-27	CityFed	40	14	206	84	-84	FisRsi	24	16	120	104	-104	LTk	20	499	204	204	-204	-1						
AdvSy	23	326	261	274	-27	Cynt	.54	14	325	294	-294	FLanBF	.46	20	365	19	-19	LaPote	20	25	114	154	-154	-1						
Argon	54	45	41	40	-1	CyngCpt1.12	9	375	515	500	-500	Fors	.7	1241	34	31	-31	Leddw	16	22	46	124	-124	-1						
AltBn	24	265	154	152	-1	Clarior	1	14	311	324	-324	FLjons	.14	49	215	214	-214	Lorffs	20	34	223	124	-124	-1						
AlgoCry	20	555	275	275	-1	Clohn	12	123	124	111	-111	ForsAm	.36	2	210	26	-26	Lorffs	16	22	20	144	-144	-1						
AlmAc	16	547	104	95	-1	CoOpBt	.50	4	146	114	-114	ForsF	.20	20	255	5	-5	Lorffs	20	34	223	124	-124	-1						
AlcoH2	14	240	17	16	-1	CoalSI	24	755	104	107	-107	ForuSy	.06	2	255	124	-124	Lorffs	16	22	20	144	-144	-1						
Alitus	12	310	26	26	-1	ColorCo	.48	8	187	125	-125	Fremm	.40	8	95	88	-88	Lorffs	16	22	20	144	-144	-1						
AlmBns	16	10	347	17	-1	Coloite	185	185	192	192	-192	FultHB	.42	15	217	45	-45	Lorffs	16	22	20	144	-144	-1						
AlmBns1.12	12	555	26	26	-1	ComCo	.12	2173	244	244	-244	G	G	G	G	G	G	Lorffs	16	22	20	144	-144	-1						
AlpW	20	7	512	16	-1	CmCst	12	13	119	65	-65	Galeo	.20	21	150	154	-154	M	M	M	M	M	M							
AlpGv	21	257	20	20	-1	CmCtr	.72	22	219	53	-53	GaleoA	.40	15	5	5	-5	MOTOp	52	41825	107	107	-107	-1						
AlmBns	12	259	92	92	-1	CmCfll	.56	4	125	125	-125	Ganito	14	15	155	124	-124	MHC	1.25	29	303	74	-74	-1						
AlmBns2	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GardA	12	1241	25	17	-17	MSClaz	28	228	147	144	-144	-1						
AlmBns3	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	Gabba	16	16	15	15	-15	MTECH	28	254	147	144	-144	-1						
AlmBns4	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	Gawey	305	171	454	454	-454	MCat77	28	227	147	144	-144	-1						
AlmBns5	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	Gebetin	2405	25	25	25	-25	MBgs	7024	174	174	174	-174	-1						
AlmBns6	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	Gennin	15	125	134	127	-127	MagnC	11434	1419	1419	1419	-1419	-1						
AlmBns7	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	Gennin	10	10	401	124	-124	MagnR	7	2815	127	127	-127	-1						
AlmBns8	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	Gesu	21	21	155	124	-124	MgvDts	30	317	127	127	-127	-1						
AlmBns9	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	Gibbs	25	11	143	155	-155	MgCl	50	11165	127	127	-127	-1						
AlmBns10	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	Gilme	20	20	255	124	-124	MhFn	50	14	97	44	-44	-1						
AlmBns11	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GimGu	25	21	253	124	-124	MhFn1.50	50	8	120	255	-255	-1						
AlmBns12	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc	50	55	111	111	-111	-1						
AlmBns13	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc1.50	50	55	111	111	-111	-1						
AlmBns14	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc2.50	50	55	111	111	-111	-1						
AlmBns15	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc3.50	50	55	111	111	-111	-1						
AlmBns16	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc4.50	50	55	111	111	-111	-1						
AlmBns17	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc5.50	50	55	111	111	-111	-1						
AlmBns18	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc6.50	50	55	111	111	-111	-1						
AlmBns19	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc7.50	50	55	111	111	-111	-1						
AlmBns20	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc8.50	50	55	111	111	-111	-1						
AlmBns21	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc9.50	50	55	111	111	-111	-1						
AlmBns22	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc10.50	50	55	111	111	-111	-1						
AlmBns23	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc11.50	50	55	111	111	-111	-1						
AlmBns24	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc12.50	50	55	111	111	-111	-1						
AlmBns25	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc13.50	50	55	111	111	-111	-1						
AlmBns26	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc14.50	50	55	111	111	-111	-1						
AlmBns27	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc15.50	50	55	111	111	-111	-1						
AlmBns28	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc16.50	50	55	111	111	-111	-1						
AlmBns29	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc17.50	50	55	111	111	-111	-1						
AlmBns30	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc18.50	50	55	111	111	-111	-1						
AlmBns31	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc19.50	50	55	111	111	-111	-1						
AlmBns32	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc20.50	50	55	111	111	-111	-1						
AlmBns33	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc21.50	50	55	111	111	-111	-1						
AlmBns34	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc22.50	50	55	111	111	-111	-1						
AlmBns35	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc23.50	50	55	111	111	-111	-1						
AlmBns36	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc24.50	50	55	111	111	-111	-1						
AlmBns37	12	259	92	92	-1	CmCtg	.48	14	125	125	-125	GizGu	25	11	143	155	-155	Mmc25.50	50	55	111	111	-111	-1						
AlmBns38	12	259	92	92	-1	CmCtg	.48	14	125																					

Sales figures are unofficial. Yearly highs and lows reflect in previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 2 or more cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on a latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend, old-called. d-new year's e-dividend declared or paid in preceding 12 months, plus dividend in Canadian funds, subject to 15% non-residence tax. f-dividend declared after split-up or stock dividend. g-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. h-dividend declared or paid that year, an annual cumulative issue with dividends in arrears. i-new issue in the last 52 weeks. The high-low range begins with the start of trading, mid-next day delivery. j/P-E-price-to-earnings ratio. k-earnings and dividends or paid in preceding 12 months, plus stock dividend. l-stock split. Dividends begin with date of split or dividend. m-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. n-yearly high, y-trading halted, w-with bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd-distributed, wh-withhold, ww-with warrants, x-ex-dividend or ex-rights, xc-without distribution, xw-without warrants, y-ex-dividends and sales in

a-dividend also extra[s]. b-annual rate of dividend plus stock dividend. c-liquidating dividend. old-called. d-new year. e-dividend declared or paid in preceding 12 months. f-dividend in Canadian funds, subject to 15% non-residence tax. g-dividend declared after split-up or stock dividend. i-dividend paid this year, omitted, deferred, or no action taken at latest annual meeting. j-dividend declared or paid this year, an annual cumulative issue with dividends in arrears. n-new issue in last 52 weeks. The high-low range begins with the start of the year. nd-next day delivery. P/E-price earnings ratio. p-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. st-stock split. t-dividend paid in stock in preceding 12 months, plus new cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. w-in bankruptcy or receivership. x-being recognized under the Bankruptcy Act, or securities assumed by such committee. wd-distributed. wh-withhold. ww-with warrants. x-ex-dividend or ex-rights. zcld-ex-distribution. zw-without warrants. y-ex-dividends and share re-

**Continued on Page 45**

# FINANCIAL TIMES

WORLD STOCK MARKETS

## AMERICA

# Wave of selling sends Dow sharply lower

## WALL STREET

A WAVE of last-minute selling, both by computers and by disillusioned institutional investors, sent Wall Street into a nosedive for the second day running, writes *Roderick Oram* in New York. The day ended with one of the worst half hour selling sprees in Wall Street's history, as the Dow Jones industrial average plumped more than 50 points in roughly 20 minutes.

The Dow closed down 31.61 points at 2,353.09, after showing small gains for most of the afternoon. Trading volume, at 265,149 shares was the fourth heaviest on record, as bulls and bears wrangled throughout most of the day to give the market direction.

An increase in the prime rate by Chemical Bank, followed by unsettling comments about the dollar and US-German economic relations from Mr James Baker, US Treasury Secretary, also kept bears in the ascendancy in the bond market.

Bonds continued to fall from the opening, building on their steep losses triggered the previous day by a big US trade deficit. However, earlier than usual overnight repurchases were seen as a signal that the Fed would not raise its discount rate soon. By late afternoon the benchmark 8.75 per cent Treasury bond recovered to a loss of ½% of a point to 97 ½ to yield 10.219 per cent.

Shares fell across the board in the last half hour, despite a period of positive trading around mid-day. Trading was extremely heavy from the opening amid signs institutional investors were beginning to sell. A near record volume of shares was changing hands from the first hour of the New York Stock Exchange session.

Among blue chips reporting increased third quarter profits, Coca-Cola fell 5% to \$43.54 and Philip Morris fell 5% to \$105.4.

A number of drug stocks turned in sharply higher profits with a mixed effect on their stock prices. Merck lost 5% to \$104.00, Upjohn fell 5% to \$37.50 and Warner Lambert lost 5% to \$74.00.

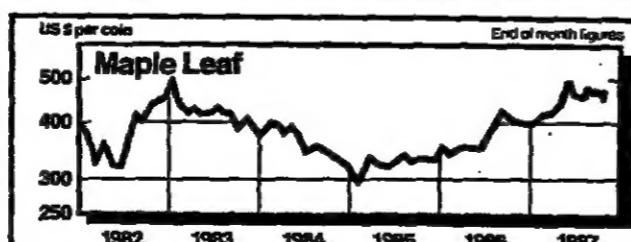
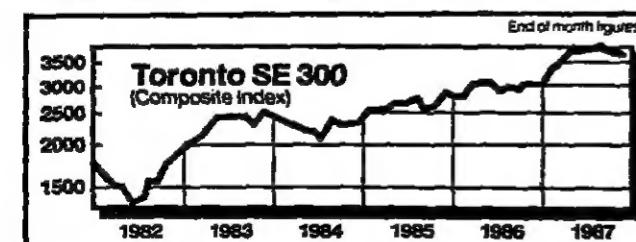
Two Bell regional telephone companies continued their trend of better earnings. Ameritech rose 3% to \$98.50 and Pacific Telesis added 3% to \$32.40. AT&T fell 5% to \$32.40. It announced another reorganisation of its computer division which is a key element of its strategy since the

**GOLD SHaRES** were mixed in dull Johannesburg trading as the bullion price was little changed.

Randfontein managed a R1 rise to R43.6 and Winkels added R3 to R58. Driefontein climbed 75 cents to R58.50 and Vaal Reefs RJ to R44.3. Doornfontein, though, shed 50 cents to R51.50. In mining financials,

Industrials were mixed.

## KEY MARKET MONITORS



## STOCK MARKET INDICES

	Oct 15	Prev Year 1986	1987	
DJ Industrial	2,412.70	1,601.25		
DJ Transport	980.34	1,011.59	1,26.13	
DJ Utilities	195.63	198.48	201.05	
S&P Comp.	307.90	235.80		
 LONDON FT				
Ord	1,512.60	1,524.70	1,277.63	
SE 100	2,301.90	2,322.90	1,607.5	
All-shares	1,169.92	1,159.58	794.31	
A & G	1,224.00	1,230.20	1,000.00	
Gold miners	405.30	428.20	308.20	
Long Life	10.12	10.08	10.45	
World Act. Ind	106.20	136.85	95.30	
(Oct 14)				
 TOKYO				
Nikkei	25,422.22	25,546.43	16,970.10	
Tokyo SE	2,158.61	2,187.47	1,825.40	
 AUSTRALIA				
All Ord.	2,146.4	2,205.5	1,247.80	
Metal & Min.	1,203.9	1,452.4	705.5	
 AMERICA				
Credit Inden	223.75	225.95	230.25	
 BELGIUM BE				
SE	4,859.40	4,972.90	3,728.98	
 CANADA				
TSX	Met & Min.	3,384.5	3,378.9	2,141.10
Composite	3,674.5	3,715.5	3,017.00	
Montreal Portfolio	1,204.38	1,821.30	1,530.33	
 DENMARK DK				
SE	(n/a)	213.37	(n/a)	
 FRANCE				
CAC Gen	365.10	387.40	383.70	
Ind. Tendance	94.70	93.00	91.82	

# Brussels sinks as Martens resigns

THE BELGIAN stock market fell sharply yesterday on news that Prime Minister Wilfried Martens had tendered his resignation to the King. Share prices tumbled on average 2 to 3 per cent during the session, though analysts pointed out that the setback on Wall Street which affected other European Bourses was also a significant factor. "At least we did better than Paris," one said.

Investor sentiment in the next few days is likely to be influenced by whether or not King Baudouin accepts Mr Martens' not wholly unexpected request. If he does, there will certainly be a lengthy period of uncertainty, perhaps fresh elections, and the possibility of a new coalition less committed (ideologically at least)

to the present policies of budget cuts and fiscal reform.

The stock market has been in a nervous mood since the summer holidays when prices peaked around 30 per cent (income reinvested) above their level at the beginning of the year. Foreign investors had been buying heavily, helping to push up prices, but the drift since early September – in the order of 10 per cent overall – has stemmed from a feeling that the earlier enthusiasm had been overdone.

Yesterday's falls were across the board in active trading, with the Brussels stock index down 112 points or 4.3% by the close. Petroleum, the major oil exploration issue, was down 12.5%, while another Bourse favourite with international investors the chemical concern Solvay fell from BFr14,775 to BFr13,525.

Societe Generale de Belgique, the country's biggest industrial and commercial holding company which was the subject of levered bid speculation earlier this year, was down 10.5% in the order of 10 per cent overall – but stemmed from a feeling that the earlier enthusiasm had been overdone.

The sympathy, however, was hit harder than most, but industries such as Glaverbel and Belfius/Tirantaise escaped more lightly.

The mining sector, notably

tin, was hit harder than

most, but industries such as

Glaverbel and Belfius/Tirantaise escaped more lightly.

The Nikkei average of 225 issues

closed 21.21 to 26,424.22 and volume

shrank to 982.5m shares

from Wednesday's 1,407.81m.

Tim Dickson

Investor sentiment in the next few days is likely to be influenced by whether or not King Baudouin accepts Mr Martens' not wholly unexpected request. If he does, there will certainly be a lengthy period of uncertainty, perhaps fresh elections, and the possibility of a new coalition less committed (ideologically at least)

to the present policies of budget cuts and fiscal reform.

The stock market has been in a

nervous mood since the summer

holidays when prices peaked

around 30 per cent (income

reinvested) above their level at

the beginning of the year.

Foreign investors had been

buying heavily, helping to push up

prices, but the drift since early

September – in the order of

10 per cent overall –

– has stemmed from a feeling

that the earlier enthusiasm

had been overdone.

Yesterday's falls were across

the board in active trading,

with the Brussels stock index

down 112 points or 4.3%

by the close.

Petroleum, the major oil

exploration issue, was down

12.5%, while another

Bourse favourite with

international investors

the chemical concern Solvay

fell from BFr14,775 to BFr13,525.

Societe Generale de Belgique, the country's biggest industrial and commercial holding company which was the subject of levered bid speculation earlier this year, was down 10.5% in the order of 10 per cent overall – but stemmed from a feeling that the earlier enthusiasm had been overdone.

The sympathy, however, was hit harder than most, but industries such as Glaverbel and Belfius/Tirantaise escaped more lightly.

The mining sector, notably tin,

was hit harder than most,

but industries such as

Glaverbel and Belfius/Tirantaise escaped more lightly.

Tim Dickson

## ASIA

# Exporters lead sell-off as yen's rise adds to woes

## TOKYO

WALL STREET's overnight plunge,

the tightening of margin trading

controls and the yen's rise

against the dollar sparked a wave

of selling yesterday and drove share

prices sharply lower, writes Shigenobu Niizato of *Yomiuri Press*.

The Nikkei average of 225 issues

closed 21.21 to 26,424.22 and volume

shrank to 982.5m shares

from Wednesday's 1,407.81m.

Tim Dickson

The mining sector, notably

tin, was hit harder than

most, but industries such as

Glaverbel and Belfius/Tirantaise escaped more lightly.

The mining sector, notably

tin, was hit harder than

most, but industries such as

Glaverbel and Belfius/Tirantaise escaped more lightly.

The mining sector, notably

tin, was hit harder than

most, but industries such as

Glaverbel and Belfius/Tirantaise escaped more lightly.

The mining sector, notably

tin, was hit harder than

most, but industries such as

Glaverbel and Belfius/Tirantaise escaped more lightly.

The mining sector, notably

tin, was hit harder than

most, but industries such as

Glaverbel and Belfius/Tirantaise escaped more lightly.

The mining sector, notably

tin, was hit harder than

most, but industries such as

Glaverbel and Belfius/Tirantaise escaped more lightly.

The mining sector, notably

tin, was hit harder than

most, but industries such as

Glaverbel and Belfius/Tirantaise escaped more lightly.

The mining sector, notably

tin, was hit harder than

most, but industries such as

Glaverbel and Belfius/Tirantaise escaped more lightly.

The mining sector, notably